IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

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| **IN RE: AFTERMARKET FILTERS ANTITRUST LITIGATION** | **Master Docket No. 08-cv-4883**<br>**MDL Docket No.: 1957**<br>**Related Docket No.: 1:10-cv-05975** |
| **This Document Relates to:**<br>Case No.: 1:10-cv-05975 | **Judge Robert W. Gettleman**<br>**Magistrate Geraldine Soat Brown** |

**ANSWER OF ARVINMERITOR, INC., PUROLATOR PRODUCTS NA, LLC, AND PUROLATOR PRODUCTS COMPANY, LLC TO THE FIRST AMENDED QUI TAM COMPLAINT BY WILLIAM G. BURCH**

Defendant ArvinMeritor Inc. ("ArvinMeritor") and Defendants Purolator Products NA, LLC and Purolator Products Company, LLC (collectively "Purolator"), by undersigned counsel, jointly respond as follows to the allegations contained in the First Amended Qui Tam Complaint ("Complaint") filed on November 24, 2010 by William G. Burch ("Plaintiff"):

## INTRODUCTION

1. This action is based partly on evidence of an antitrust conspiracy to fix prices between and among the largest manufacturers of light duty air, oil, and fuel filters ("Filters"). That price fixing conspiracy is the subject of private class actions, which this Court has determined sufficient [sic] state claims for relief under federal antitrust laws.

**ANSWER:** ArvinMeritor and Purolator admit that certain actions are pending in this Court against manufacturers of light duty aftermarket vehicle oil, fuel and engine air filters sold in the United States ("Filters"). ArvinMeritor and Purolator admit that the Court has issued various decisions in *In re: Aftermarket Filters Antitrust Litigation*, MDL No. 1957, and state that those decisions speak for themselves. ArvinMeritor and Purolator deny the remaining allegations in paragraph 1.

2. At the same time that the Defendants conspired to fix prices for these Filters they also: (a) concealed their conspiracy from the United States and from the States, and (b) submitted, and caused to be submitted, false and fraudulent claims for payment to the United States and the States and submitted false statements in support of such claims to the United States and the States. Consequently, these entities paid inflated prices for the Filters and obtained and maintained contracts they would not have otherwise received and/or would have been terminated had the federal and state governments learned of the price fixing.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 2 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 2.

3. This action seeks damages and penalties under the False Claims Act ("FCA") and comparable State laws based on false claims the Defendants submitted or caused to be submitted; false statements these Defendants made in support of such false claims; and the Defendants conspiratorial acts to violate the FCA and comparable State laws.

**ANSWER:** Paragraph 3 contains no factual allegations and therefore does not require a response. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 3.

4. The Complaint provides many examples of contracts the Defendants had with the United States and the States, and of claims and evidence of claims submitted by, and caused to be submitted by, the Defendants to these entities. Although not exclusive, these lists of contracts and claims are extensive; they also are representative of the Filter contracts that the Defendants had with the United States and the States, and the Filter claims they submitted and caused to be submitted while they colluded to fix the prices for these Filters.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 4 regarding contracts and claims of other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 4.

5. The Complaint also explains why and how the Defendants knew that their prices and claims were false, and how Defendants knowingly certified that they were not engaged in price-fixing, when they were doing just that. Thus, Mr. Burch's allegations of the "who, what, when, where, and why" of these claims establish not only that Defendants might plausibly have submitted, and caused to be submitted, false claims and statements in support of claims; instead,

they demonstrate that the Defendants did submit and cause to be submitted false claims and false statements in support of claims while also engaging in a conspiracy to defraud federal and state taxpayers. The damages to the United States and the States stemming from the Defendants' actions are substantial, though yet to be determined.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 5 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 5.

## SUMMARY OF CLAIMS

6. Plaintiff brings this action to recover damages, civil penalties, and other relief, arising from (a) false claims Defendants made, or caused to be made, (b) false certifications and representations Defendants made in support of false claims, and (c) Defendants' conspiracy to make false claims.

**ANSWER:** Paragraph 6 contains no factual allegations and therefore does not require a response. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 6.

7. Each of these acts violates the FCA, 31 U.S.C. § 3729, *et seq.*; the California False Claims Act, Cal. Gov. Code § 12650, *et seq.*; the Delaware False Claims and Reporting Act, Del. Code Ann. tit. 6, § 1201, *et seq.*; the District of Columbia False Claims Act, D.C. Code § 2-308.13, *et seq.*; the Florida False Claims Act, Fla. Stat. § 68.081, *et seq.*; the Hawaii False Claims Act, Hawaii Rev. Stat. § 661-21, *et seq.*; the Illinois False Claims Act, 740 Ill. Comp. Stat. 175/1, *et seq.*; the Indiana State False Claims Act, Ind. Code § 5-11-5.5-1, *et seq.*; the Massachusetts False Claims Act, Mass. Gen. Laws 12 § 5A, *et seq.*; the Minnesota False Claims Act, Minn. Stat. § 15C.01, *et seq.*; the Montana False Claims Act, Mont. Code Ann. § 17-8-401, *et seq.*; the Nevada False Claims Act, Nev. Rev. Stat. § 357.010, *et seq.*; the New Hampshire False Claims Act, N.H. Rev. Stat. Ann. § 167:58, *et seq.*; the New Jersey False Claims Act, N.J. Stat. Ann. § 2A:32C-1, *et seq.*; the New Mexico Fraud Against Taxpayers Act, N.M. Stat. § 44- 9-1, *et seq.*; the New York False Claims Act, N.Y. Finance Law § 187, *et seq.*; the North Carolina False Claims Act, N.C. Gen. Stat. § 1-605, *et seq.*; the Oklahoma False Claims Act, Okla. Stat. tit. 63 § 5053, *et seq.*; the Rhode Island False Claims Act, R.I. Gen. Laws § 9-1.1-1, *et seq.*; the Tennessee False Claims Act, Tenn. Code Ann. § 4-18-101, *et seq.*; and the Virginia Fraud Against Taxpayers Act, Va. Code Ann. § 8.01-216.1, *et seq.* (collectively the "State FCAs").

**ANSWER:** The allegations in paragraph 7 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 7.

8. Defendants are the largest manufacturers and sellers of light vehicle aftermarket air, oil, and fuel filters. For years, the Defendants and their co-conspirators have conspired to unlawfully eliminate competition among themselves and to fix, raise, maintain, and/or stabilize prices, and to coordinate the allocation of customers, for Filters in the United States. Their illegal activities, violating Section 1 of the Sherman Act, began on or around March 1, 1999 and continue to the present ("Time Period").

**ANSWER:** ArvinMeritor and Purolator admit that Purolator manufactured and sold light duty aftermarket vehicle oil, fuel and engine air filters sold in the United States. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 8 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 8.

9. The unlawful, anticompetitive conspiracy of Defendants and their co-conspirators included, but was not limited to, in-person meetings, telephone calls, facsimiles, and other communications.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 9 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 9.

10. Throughout the Time Period, Defendants' unlawful conduct depressed competition and caused Filters to sell at artificially-inflated prices. As a result, retailers, consumers, the United States, and the States have consistently overpaid for Filters. This action seeks recovery for all Filters purchased by the United States and the States during the Time Period.

**ANSWER:** The last sentence of paragraph 10 contains no factual allegations and therefore does not require a response. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in the last sentence of paragraph 10.

ArvinMeritor and Purolator deny the remaining allegations in paragraph 10.

11. Throughout the Time Period, the United States and the States entered various contracts with Defendants and their subsidiaries or distributors to purchase Filters.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 11 regarding actions by other Defendants and other entities, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 11.

12. Every time the United States or the States paid a claim associated with Defendants' Filters during the Time Period, that claim was false and fraudulent because the prices were artificially inflated.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 12 regarding actions by other Defendants and other entities, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 12.

13. Moreover, each time any Defendant entered into a contract with the United States, renewed a contract, extended a contract, or modified its terms, as well as on other occasions, it certified that its prices were independent, (i.e., not the product of an antitrust price-fixing conspiracy). Defendants made similar certifications both explicitly and implicitly when they entered into, renewed, and extended contracts with the States, as well as on other occasions in their dealings with the States. These certifications were false statements in support of false claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 13 regarding actions by other Defendants and other entities, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 13.

14. Each time a Defendant submitted an invoice for Filters under a contract, it was representing to the United States and the States that its prices were not artificially inflated. In fact, each certification and each invoice was false because the price for the filters was artificially

inflated, and because the Defendants had colluded to depress competition and had artificially inflated the price of Filters.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 14 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 14.

15. Defendants have entered contracts during the Time Period with, among others, the United States Department of Defense, other federal agencies, the States, and cities, counties and municipalities within the States. The FCA, and the State FCAs, prohibit Defendants' conduct and allow the United States, the States, and cities, counties and municipalities, to recover their damages, including statutory penalties and attorneys' fees.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 15 regarding actions by other Defendants, and on that basis, deny them. The allegations in the second sentence of paragraph 15 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in the second sentence of paragraph 15. ArvinMeritor and Purolator deny the remaining allegations in paragraph 15.

16. Defendants' claims were false, and in violation of the FCA and the State FCAs, for three primary reasons:

a. *First*, each claim submitted and paid was false because Defendants (either directly or through a distributor or subsidiary) misrepresented the true, non-inflated, price for the Filters. The price of any product is always a material term, and the United States and the States relied on the accuracy of the Filter prices in paying claims and entering contracts. If they had known of the antitrust conspiracy, they would not have purchased Defendants' Filters, and would not have paid inflated prices for them;

b. *Second*, each claim Defendants, their distributors, or subsidiaries, submitted was based on false certifications that Defendants were not colluding over prices. To the extent that Defendants did not actually sign certifications with the United States or the States, the United States and the States believed that Defendants were not engaged in a price-fixing conspiracy and this was an implicit representation every time Defendants made a claim for payment on the United States or the States. If not for the false certifications, the contracts (that were premised upon these certifications) would never have been awarded, and/or would have been terminated, and the claims would never have been paid. These certifications were also material representations upon which the United States and the States relied;

c. *Third*, Defendants conspired with one another to violate each of the foregoing provisions. As explained in detail herein, during the Time Period Defendants held secret meetings, made phone calls, and exchanged email and other documents to accomplish their antitrust violations.

**ANSWER:** The allegations in paragraph 16 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 16 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 16.

17. Defendants knowingly:

a. submitted, or caused to be submitted, false claims to the United States and the States, and improperly sought and obtained reimbursement that they were not entitled to;

b. made, or caused to be made, false statements in support of false claims; and,

c. conspired to submit false claims and statements in support of claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 17 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 17.

18. Many of the allegations contained herein, particularly those regarding collusive meetings and communications between Defendants and their co-conspirators, are based upon the personal knowledge of the Plaintiff/Relator, William G. Burch. Additionally, these allegations are further corroborated by recorded conversations that took place between Mr. Burch and Defendants' representatives who participated in and furthered the conspiracy, and statements made under oath by other individuals with personal knowledge of the conspiracy.

**ANSWER:** ArvinMeritor and Purolator deny that any of their representatives participated in or furthered any conspiracy. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 18, and on that basis, deny them.

## JURISDICTION AND VENUE

19. This Court has subject matter jurisdiction pursuant to 31 U.S.C. §§ 1331 and 31 U.S.C. § 3732 which confer jurisdiction on this Court for actions brought under 31 U.S.C. §§ 3729 and 3730.

**ANSWER:** The allegations in paragraph 19 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 19.

20. This Court has jurisdiction over the Defendants pursuant to 31 U.S.C. § 3732(a) that authorizes nation-wide service of process.

**ANSWER:** The allegations in paragraph 20 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 20.

21. Venue is proper in this district pursuant to 31 U.S.C. § 3732(a) because the Defendants can be found in, and/or they transact business in, the Northern District of Illinois.

**ANSWER:** ArvinMeritor and Purolator admit that they transacted business in this district during the relevant time period. The remaining allegations in paragraph 21 are legal conclusions to which no response is necessary.

## INTERSTATE COMMERCE

22. The activities of Defendants and their co-conspirators as described herein were within the flow of, and substantially affected, interstate commerce.

**ANSWER:** The allegations in paragraph 22 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 22.

23. During the Time Period, Defendants manufactured, sold, and/or distributed, substantial quantities of Filters in a continuous and uninterrupted flow of interstate commerce to customers located throughout the United States.

**ANSWER:** ArvinMeritor and Purolator admit that Purolator manufactured and sold Filters to customers in the United States between March 1999 through March 2006. The remaining allegations in paragraph 23 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 23 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 23.

## THE PARTIES

24. Plaintiff/Relator William G. Burch was a senior sales executive at Defendants Purolator Products, NA, LLC, Purolator Products Co. LLC, and Champion Laboratories, Inc. during most of the Time Period. Burch began working with Purolator in 1987. He was employed there as a National Account Manager until 1999. After ArvinMeritor acquired Purolator in 1999, Burch began working for Champion Laboratories, Inc. Burch's primary responsibility at both companies was to sell Filters in the automotive aftermarket. Burch currently resides in Tulsa, Oklahoma.

**ANSWER:** ArvinMeritor and Purolator admit that William G. Burch is a former employee of Purolator. ArvinMeritor and Purolator admit that ArvinMeritor's predecessor, Arvin Industries, Inc., acquired Purolator in or about February 1999, at which time Mr. Burch held the title of National Accounts Sales Manager for automotive aftermarket filters at Purolator. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 24, and on that basis, deny them.

25. Defendant Champion Laboratories, Inc. ("Champion") is a corporation headquartered in Albion, Illinois, with a business address at 200 S. Fourth St., Albion, Illinois 62806. Throughout the Time Period, Champion manufactured Filters and sold them to the United States and the States.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 25, and on that basis, deny them.

26. Defendants Purolator Products, NA, LLC and Purolator Products Co. LLC collectively ("Purolator") are limited liability companies with their principal places of business in Fayetteville, North Carolina, and a business address at 3200 Natal St., Fayetteville, North Carolina 28306-2845. Throughout the Time Period, Purolator manufactured Filters and sold them to the United States and the States.

**ANSWER:** ArvinMeritor and Purolator admit that admit that Purolator manufactured and sold Filters to customers in the United States between March 1999 through March 2006. ArvinMeritor and Purolator state that during this time period, Purolator was located in Fayetteville, North Carolina, with a business address of 3200 Natal St., Fayetteville, North Carolina, 28306, and operated from Brentwood, Tennessee, with a business address at 100 Westwood Place, Suite 200, Brentwood, Tennessee, 37027. ArvinMeritor and Purolator admit that the Purolator LLCs have operated as Delaware limited liability companies since 2004. ArvinMeritor and Purolator deny the remaining allegations in paragraph 26.

27. Defendant ArvinMeritor, Inc. ("ArvinMeritor") is a corporation headquartered in Troy, Michigan, with a business address at 2135 West Maple Road, Troy, Michigan 48084. From around March 1999 to April 2006, ArvinMeritor and/or its predecessor owned Purolator. Throughout the Time Period, ArvinMeritor manufactured Filters and sold them to the United States and the States.

**ANSWER:** ArvinMeritor and Purolator admit the allegations in the first sentence of paragraph 27. ArvinMeritor and Purolator state that from around February 1999 to March 2006, ArvinMeritor or its predecessor owned Purolator. ArvinMeritor denies the remaining allegations in paragraph 27.

28. Defendant Honeywell International ("Honeywell") is a corporation headquartered in Morristown, New Jersey, with a business address at 100 Columbia Road, Morristown, New Jersey 07962. Honeywell International Consumer Products Group is a division of Honeywell located in Danbury, Connecticut, and is responsible for the manufacture and sale of Filters, principally under the FRAM® brand. Throughout the Time Period, Honeywell manufactured Filters and sold them to the United States and the States.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 28, and on that basis, deny them.

29. Defendant Wix Filtration Corp. LLC is a limited liability company headquartered in Gastonia, North Carolina, with a business address at One Wix Way, Gastonia, North Carolina. From on or about December 1, 2004 Wix Filtration Corp. LLC manufactured Filters and sold them to the United States and the States. Wix is now owned by Affinia Group.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 29, and on that basis, deny them.

30. Defendant Affinia Group Inc. is a Delaware corporation located at 1101 Technology Drive, Ann Arbor, Michigan 48108. On or about December 1, 2004 Affinia Group Inc. (formerly AAG OPCO Corp.) purchased the stock, assets, and liabilities of Wix Filtration Products from Dana Corporation, as set forth in the stock and asset purchase agreement between AAG OPCO Corp. and Dana Corporation dated as of July 8, 2004 (the "Purchase Agreement"). A true and correct copy of the Purchase Agreement was filed on March 16, 2009 as Exhibit C to Direct Purchaser Plaintiffs' Opposition to Defendants' Motion to Dismiss for Failure to State a Claim (Document 234). The Purchase Agreement can also be found online at http://secinfo.com/dsvrn.z5Gy.7.htm#1stPage.

At all relevant times prior to December 1, 2004, Dana Corporation operated Wix Filtration Products through its Automotive Aftermarket Group. Wix Filtration Products manufactured and sold Filters in the United States.

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Pursuant to the terms of the Purchase Agreement, Affinia Group Inc. assumed and succeeded to the liabilities of Dana Corporation's Aftermarket Automotive Group. The Purchase Agreement specifically states in the recitals that liabilities are being purchased relating to the manufacture and distribution of automotive aftermarket components:

Whereas, Seller and its Subsidiaries are, among other things, engaged through Seller's Aftermarket Automotive Group in the manufacture and distribution of automotive aftermarket components in the North America, Europe, Asia, and South America, as described in Exhibit A (the "Business"); and

Whereas, upon the terms and subject to the conditions hereinafter set forth, the parties desire that Seller and its Subsidiaries sell, assign and transfer to Purchaser, and that Purchaser purchase and acquire from Seller and its Subsidiaries, all of the right, title and interest of the Seller and its Subsidiaries in and to the Purchased Shares and the Purchased Assets, and that Purchaser assumes the Assumed Liabilities.

(Purchase Agreement at p. 5.)

The broad definition of Assumed Liabilities in Section 1.4 states:

Simultaneously with the Closing, on the terms and subject to the conditions set forth herein, Purchaser shall assume and be liable for, and shall pay, perform and discharge when due, all obligations and Liabilities of Seller and its Subsidiaries (other than the Acquired Companies), whether occurring or accruing before, on or after the Closing Date, whether known or unknown, fixed or contingent, asserted or unasserted, and not satisfied or extinguished as of the Closing Date, primarily relating to, primarily arising out of or primarily resulting from the Business (collectively, and excluding the Excluded Liabilities the "ASSUMED LIABILITIES"), including, by way of example and not limitation, all of the following obligations and liabilities of Seller and its Subsidiaries (other than the Acquired Companies):

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all Liabilities arising from commitments (in the form of accepted purchase order or otherwise) to sell, distribute, manufacture or market products, or outstanding quotations, proposals or bids, primarily relating to, primarily arising out of or primarily resulting from the Business;

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all Liabilities under Business Contracts;

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(Purchase Agreement pp. 8-9.)

As set forth above, the liabilities of Dana Corporation transferred "simultaneous with the closing" and were not executor terms of the Purchase Agreement. Affinia Group Inc. is liable for the illegal practices alleged herein that occurred prior to December 1, 2004 as it assumed those liabilities by contract.

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Affinia Group Inc. has represented that, since on or about December 1, 2004, Wix Filtration Products has been operating through the Affinia Global Filtration Operating Group and Wix Filtration Corp. LLC, a wholly-owned subsidiary of Affinia Group Inc. All references to

"Wix" herein are to Affinia Group Inc., as the successor-in-interest to Dana Corporation, and Wix Filtration Corp. L.L.C.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 30, and on that basis, deny them.

31. Defendant Cummins Filtration Inc. ("Cummins"), a wholly-owned subsidiary of Cummins, Inc., is headquartered in Nashville, Tennessee, with a business address at 2931 Elm Hill Pike, Nashville, Tennessee 37214. Throughout the Time Period, Cummins manufactured Filters and sold them to the United States and the States.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 31, and on that basis, deny them.

32. Defendant Donaldson Company, Inc. ("Donaldson") is a corporation headquartered in Minneapolis, Minnesota, with a business address at 1400 West 94th St., Minneapolis, Minnesota 55431. Throughout the Time Period, Donaldson manufactured Filters and sold them to the United States and the States.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 32, and on that basis, deny them.

33. Defendant Baldwin Filters, Inc. ("Baldwin") is a corporation headquartered in Kearney, Nebraska, with a business address at 4400 E. Hwy. 30, Kearney, Nebraska 68848. Throughout the Time Period, Baldwin manufactured Filters and sold them to the United States and the States.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 33, and on that basis, deny them.

34. Wherever in this First Amended Complaint ("Complaint") reference is made to any act, deed, or transaction of any corporation, the allegation means that the corporation engaged in the act, deed, or transaction by or through its officers, directors, agents, employees or representatives while they were actively engaged in the management, direction, control or transaction of the corporation's business affairs.

**ANSWER:** Paragraph 34 contains no factual allegations and therefore does not require a response. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 34.

35. The acts alleged in this Complaint, engaged in by Defendants, were performed by their officers, directors, agents, employees or representatives while engaged in the management, direction, control or transaction of the Defendants' business affairs.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in paragraph 35 as they relate to ArvinMeritor and Purolator, except as otherwise explicitly admitted in this Answer. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 35, and on that basis, deny them.

## CO-CONSPIRATORS

36. Various other persons, firms and corporations not named as Defendants herein have participated as co-conspirators in the violations of law alleged herein, and have aided, abetted and performed acts and made statements in furtherance thereof.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 36 regarding actions by other individuals and entities, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 36.

## INDUSTRY BACKGROUND

### Automotive Filter Products

37. Nearly every car and light truck sold in the United States, excluding vehicles that are solely electric, uses filters to keep engines, fuel, and other hydraulic systems free from particulate contamination. Most vehicles contain three or more filters that must be replaced at regular intervals. While filter technology and the range of filter products have changed over time, the primary filters categories remain the same: oil, air, and fuel.

**ANSWER:** ArvinMeritor and Purolator admit the allegations in the first sentence of paragraph 37. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 37, and on that basis, deny them.

38. Oil filters clean the oil circulating through an engine by picking up tiny contaminants, such as metal, carbon, rust and dirt particles that can be abrasive and hinder efficient operation of engine parts. Oil filtration in engines is essential for enhancing a vehicle's longevity and performance.

**ANSWER:** ArvinMeritor and Purolator admit the allegations in paragraph 38.

39. Air filters trap air particles that mix with fuel and circulate into the engine. The air filter's body is typically made of metal or heat-resistant plastic. Most fuel-injected vehicles use a pleated paper filter element in the form of a flat panel, while older, carburetor vehicles use radial air filters made of similar materials.

**ANSWER:** ArvinMeritor and Purolator admit the allegations in the first sentence of paragraph 39. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 39, and on that basis, deny them.

40. Fuel filters screen out dirt and rust particles, improving a vehicle's performance by enabling the fuel to burn more efficiently.

**ANSWER:** ArvinMeritor and Purolator admit the allegations in paragraph 40.

**The Distribution Channels for Filters**

41. Defendants primarily sell Filters through two separate channels: (i) Original Equipment Manufacturers ("OEMs") and (ii) aftermarket sellers of replacement filters ("Aftermarket Sellers").

**ANSWER:** ArvinMeritor and Purolator admit that Purolator sold Filters to original equipment manufacturers and to customers for use in the aftermarket. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 41, and on that basis, deny them.

42. OEMs purchase automotive filters for installation into new vehicles during the production process.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 42, and on that basis, deny them.

43. Aftermarket Sellers purchase Filters directly from Defendants for wholesale or retail sale to the public, either (i) in connection with professional services rendered to an indirect ("Do it For Me") purchaser (for example, an oil filter sold to a customer as part of an oil change) or (ii) for individuals (known as "Do it Yourself" purchasers) who replace their own filters.

**ANSWER:** ArvinMeritor and Purolator admit that Purolator sold Filters for use in the aftermarket to customers who sell Filters in connection with professional services, and to customers who sell Filters to individuals. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 43, and on that basis, deny them.

44. Aftermarket Sellers include, but are not limited to, traditional warehouse (wholesale) distributors, jobbers, automotive parts and mass merchandising retailers, and direct/private label purchasers. Sales to traditional distributors and automotive parts retailers account for almost seventy percent of aftermarket automotive filter revenues. Defendants sell and market Filters through common distribution channels. And, Defendants control 90 percent of the entire market for Filters.

**ANSWER:** ArvinMeritor and Purolator admit that the entities described in the first sentence of paragraph 44 are typically considered "Aftermarket Sellers." ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 44, and on that basis, deny them.

**The Filters Aftermarket**

45. The Filters aftermarket in the United States is a mature market. Oil and air filters in particular have shown low growth in unit shipments and revenues during the Time Period.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 45, and on that basis, deny them.

46. Most vehicle maintenance guides recommend that in order to maintain the engine's efficient operation, Filters should be regularly replaced.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 46, and on that basis, deny them.

47. Typically, oil filters and air filters require more frequent replacement and comprise the largest segment of the market, followed by fuel filters. Oil filters account for over sixty percent of U.S. Filters revenues.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 47, and on that basis, deny them.

48. Filters are fungible products. Most manufacturers generally produce each type of Filter. Brand loyalty for Filters is limited. And, in addition to manufacturing their own brand filters, the largest filter manufacturers also make filters that are sold under well-known brand-names, such as Wal-Mart, Sears, AC Delco, and Mobil 1, just to name a few. While the filter business includes numerous brands, only a handful of manufacturers who [sic] actually make the filters.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in the first three sentences of paragraph 48. ArvinMeritor and Purolator admit that Purolator manufactured private label Filters for certain customers. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 48, and on that basis, deny them.

49. Defendants purchase the same raw materials from the same group of suppliers, and use identical designs to manufacture functionally-equivalent Filters. Specifically, each type of Filter (*i.e.*, oil, air and fuel) is interchangeable with the same type of Filter produced by any other manufacturer.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 49 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 49.

50. At aftermarket industry gatherings and events, Filters are often referred to as “light sweet crude” because of their complete substitutability. Not surprisingly, many consumers perceive Filters as a commodity-type product.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 50, and on that basis, deny them.

51. Annual U.S. revenues for Filters were approximately $1.5 billion, and total U.S. revenues over the Time Period were approximately $13 billion.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 51, and on that basis, deny them.

**Consolidation and Concentration in the Automotive Filters Aftermarket**

52. The Filters aftermarket is highly concentrated. Four manufacturers – Honeywell, Purolator (owned by Bosch and MANN+HUMMEL in a 50/50 joint venture), Wix (owned by Affinia Group) and Champion – control over eighty percent of the Filters aftermarket.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 52, and on that basis, deny them.

53. Purolator and Honeywell’s FRAM® are the most well-known Filters brands. Wix, while not having as strong a brand name, manufactures, among other things, private label Filters for NAPA Auto Parts and Carquest Auto Parts. Wix is also the number one filter supplier for NASCAR. Champion also focuses on private label manufacturing. Champion manufactures such private label Filters as Mobil 1, Valvoline, STP, Mighty and Firestone.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 53, and on that basis, deny them.

54. The Filters aftermarket has become increasingly consolidated since the 1990s. In 1999, for example, Honeywell merged with AlliedSignal; FRAM became part of Honeywell Consumer Products Group; and Mark IV sold Purolator to Arvin Industries. In 2000, Arvin Industries merged with Meritor Automotive to become ArvinMeritor, Inc. And, in 2006 ArvinMeritor sold Purolator to Bosch and Mann+Hummel.

**ANSWER:** ArvinMeritor and Purolator admit that in 1999 Arvin Industries, Inc. purchased Purolator from Mark IV Industries, Inc., and that in 2000, Arvin Industries, Inc. merged with Meritor Automotive, Inc. to become ArvinMeritor Inc. ArvinMeritor and Purolator state that in 2006 ArvinMeritor sold certain assets of Purolator to Filters North America LLC. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 54, and on that basis, deny them.

55. While the Filters industry has experienced a wave of consolidation, there have been no significant new entrants into the market.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in paragraph 55.

56. The small number of companies controlling the Filters aftermarket is conducive to cartel behavior, allowing Defendants and their co-conspirators to coordinate the conduct, while making it hard for customers to avoid the effects of collusive behavior.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in paragraph 56.

## DEFENDANTS' ANTITRUST CONSPIRACY

### Defendants' Unlawfully Conspire to Fix Prices

57. During the Time Period, Defendants and their co-conspirators conspired, contracted, or combined to fix, raise, maintain and/or stabilize prices and allocate customers, including the United States government and the States, for Filters in the United States.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 57 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 57.

58. Defendants' conspiracy conduct occurred via in-person meetings, electronic and other communications, and included the exchange of competitively-sensitive information.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 58 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 58.

59. Defendants met, discussed, and communicated to reach an agreement to implement, monitor, and further their unlawful, continuing price-fixing and customer allocation scheme.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 59 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 59.

60. Throughout the Time Period, and in furtherance of their conspiracy, Defendants and their co-conspirators engaged in numerous unlawful anticompetitive activities, including, but not limited to:

a. Agreeing with each other to charge prices for Filters at specified levels, and otherwise fix, increase, maintain and/or stabilize the prices of, and allocate customers for, Filters sold in the United States;

b. Engaging in discussions and communications between the Filter manufacturers via meetings, conferences, conventions, in the United States and elsewhere, and by telephone, facsimile, and electronic mail regarding the sale of Filters;

c. Communicating with each other to discuss, inter alia, Filter pricing, customer allocation, Filter markets and price levels generally of Filters sold in the United States;

d. Selling Filters in the United States and elsewhere at collusive and noncompetitive prices pursuant to the unlawful agreement reached;

e. Accepting payment for Filters sold in the United States and elsewhere at collusive and non-competitive prices;

f. Directing, authorizing or consenting to the participation of employees in the conspiracy; and

g. Concealing the conspiracy and conspiratorial contacts through various means.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 60 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 60.

61. Beginning at least as early as March 1999 and continuing through to the present, Defendants and their co-conspirators met on numerous occasions, had confidential discussions, and exchanged competitively-sensitive information, regarding pricing and customers for Filters in the United States.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 61 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 61.

62. Defendants used their meetings, discussions, and exchanges of information successfully to agree to, and to further, their conspiracy to fix, raise, maintain and/or stabilize prices of, and allocate customers for, Filters sold in the United States.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 62 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 62.

63. On or about February 26, 1999, Arvin Industries acquired Purolator. Marlen Silverii, an Arvin Industries Senior Vice President (and formerly employed by Purolator) was instrumental in completing the acquisition.

**ANSWER:** ArvinMeritor and Purolator admit that in or about February 1999 Arvin Industries, Inc. acquired Purolator, and that Marlen Silverii participated in the acquisition. ArvinMeritor and Purolator admit that at the time of the acquisition, Marlen Silverii held the title of Vice President, and that prior to 1996 he was employed by the entity that operated under the Purolator name. ArvinMeritor and Purolator deny the remaining allegations in paragraph 63.

64. At the time that Arvin Industries acquired Purolator, Mr. Burch was a National Accounts Manager at Purolator.

**ANSWER:** ArvinMeritor and Purolator admit that at the time Arvin Industries, Inc. acquired Purolator, Mr. Burch held the title of National Accounts Sales Manager at Purolator.

65. Shortly after that acquisition (in or around March 1999), Mr. Silverii met with certain Purolator senior employees, including Mr. Burch, to discuss Purolator's profit margins, which, in the view of Arvin Industries' executives, were too low.

**ANSWER:** ArvinMeritor and Purolator admit that in or about March 1999, Mr. Silverii met with certain Purolator employees to discuss pricing of Purolator's Filters. ArvinMeritor and Purolator deny the remaining allegations in paragraph 65.

66. During the meeting, Mr. Silverii explained that, to increase Filters' profit margins, Arvin Industries' executives wanted to implement a Filters price-increase. But, to do so successfully and without losing market share or business, Mr. Silverii explained that Purolator would need all Defendants to agree to jointly raise their prices together.

**ANSWER:** ArvinMeritor and Purolator admit that in or about March 1999, Mr. Silverii met with certain Purolator employees to discuss pricing of Purolator's Filters. ArvinMeritor and Purolator deny the remaining allegations in paragraph 66.

67. Mr. Silverii told the assembled Purolator senior personnel to contact their counterparts (the other Defendants) to obtain each Defendant's agreement to implement a coordinated, industry-wide Filters price-increase.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in paragraph 67.

68. A number of Purolator's senior personnel who attended the meeting complied with Mr. Silverii's directive. These individuals contacted and communicated with their counterparts regarding coordinated industry-wide price-increase for Filters.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in paragraph 68.

69. As part of their collusive agreement to increase Filters prices, Defendants met and discussed plans, and otherwise communicated with each other, to coordinate the timing, amount, and purported false pretexts, that they would jointly agree to as the justification for planned, coordinated, and conspired price increases.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 69 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 69.

70. One series of meetings occurred at the Jiffy Lube Association of Franchisees Show ("JLAF Show") at the Gaylord Opryland Hotel in Nashville, Tennessee, in or around May 1999. At the JLAF Show, Defendants discussed increasing Filters prices.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 70 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 70.

71. For example, at the JLAF Show, Mr. Silverii and at least one other senior Purolator employee met with a senior employee at Honeywell and discussed increasing Filters prices.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in paragraph 71.

72. A fellow Purolator employee told Mr. Burch that Purolator had spoken with Honeywell at the JLAF Show in Nashville and told them to raise prices. That same Purolator employee also told Mr. Burch that "FRAM knows we're going up." (As noted above, Fram filters are manufactured by Honeywell.)

**ANSWER:** ArvinMeritor and Purolator deny the allegations in the first two sentences of paragraph 72. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 72, and on that basis, deny them.

73. Also in mid-1999, Mr. Silverii met with Tom Mallett [sic], Champion's President. Mr. Silverii and Mr. Mallett [sic] discussed fixing and coordinating Filters prices in the United States.

**ANSWER:** ArvinMeritor and Purolator admit that in or about mid-1999, Mr. Silverii met with Tom Mowatt, who was President of Champion at that time. ArvinMeritor and Purolator deny the remaining allegations in paragraph 73.

74. On or about June 28, 1999, Mr. Silverii directed Larry Curtis (Vice President of Sales at Purolator) to fax Brad Hayes (Honeywell) a copy of a letter that Purolator intended to send to its customers. The letter informed Purolator's customers of an impending price-increase on all Purolator Filters.

**ANSWER:** ArvinMeritor and Purolator admit that Larry Curtis was employed by Purolator in 1999. ArvinMeritor and Purolator admit that Purolator announced a price increase on filter products, to become effective on August 15, 1999, to its customers in a letter dated June 21, 1999, and state that the letter speaks for itself. ArvinMeritor and Purolator deny the remaining allegations in paragraph 74.

75. Mr. Curtis falsely back-dated this price-increase letter to appear as if it had been written earlier. (In fact, he wrote the letter approximately a week after the date he put on it.) And, Purolator actually sent this price-increase letter to its customers several weeks after coordinating the price-increase with Honeywell.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in paragraph 75.

76. The letter also provided a false pretext or excuse that the conspirators would give for their planned and conspired price-increase: the Defendants would claim that the increase in Filter prices was directly and solely attributed to price increases in cost for labor, health care, freight, and raw materials. In truth, the price-increase was due to price fixing, and was the result of a conspiracy among various Defendants to raise the price for Filters.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in paragraph 76.

77. On June 28, 1999, pursuant to Mr. Silverii's directive, Larry Curtis sent the draft price-increase letter by fax to his counterpart at Honeywell, Brad Hayes. The fax recipient at Honeywell, Brad Hayes, was the person whom Mr. Silverii had already met with, secretly, at the JLAF Show.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in paragraph 77.

78. Notably, as of June 28, 1999, Purolator had not yet sent the price-increase letter to any of its customers. The customer letter would not go out for several weeks.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in paragraph 78.

79. Recorded telephone conversations (from June 1999) further evidence the Defendants' collusive price-fixing activity during this time period.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 79 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 79.

80. Purolator's actual customer price-increase letter (dated "July 7, 1999," but sent to its customers at a subsequent date) was virtually to identical to the draft letter Purolator had already shared with Honeywell a few weeks earlier.

**ANSWER:** ArvinMeritor and Purolator admit that Purolator provided pricing information on Filters, to become effective on August 15, 1999, to its customers in a letter dated July 7, 1999 and state that the letter speaks for itself. ArvinMeritor and Purolator deny the remaining allegations in paragraph 80.

81. Significantly, both letters contained the *same exact* price percentage increase, and the same price-increase effective date.

**ANSWER:** ArvinMeritor and Purolator state that the documents speak for themselves. ArvinMeritor and Purolator deny the remaining allegations in paragraph 81.

82. Shortly after Purolator sent its price-increase letter pursuant to the unlawful agreement, the other Defendants followed Purolator's lead and also implemented very similar Filters price increases.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations regarding price increases by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 82.

83. Following months of illicit, secret contacts and communications, regarding a price increase, each Defendant successfully implemented (in or around August 1999) the agreed-upon price-increase for Filters in the United States.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations regarding price increases by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 83.

84. Plaintiff/Relator Burch left Purolator to join Champion as a National Accounts Manager in August 1999.

**ANSWER:** ArvinMeritor and Purolator admit that Mr. Burch ended his employment with Purolator on or about September 30, 1999. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 84, and on that basis, deny them.

85. Champion's President John Evans met (in or around February 2004) with Champion's senior employees who were responsible for the Filters business (including Mr. Burch) to discuss Champion's intention to raise Filters prices.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 85, and on that basis, deny them.

86. At that meeting, Mr. Evans told Champion's senior employees that Champion would "lead the way" with another Filters price increase.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 86, and on that basis, deny them.

87. Mr. Evans advised those assembled that Champion needed to coordinate the price-increase with Defendants to ensure the continued success of the conspiracy. For example, it was critical to Champion that its Filter price increase not detrimentally affect its market share. For this reason, Mr. Evans directed Champion's senior employees to make frequent telephone calls to Defendants to discuss coordinated pricing and to conspire to reach an agreement about the coordinated price-increase.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 87, and on that basis, deny them.

88. Mr. Evans, together with other Champion senior employees, contacted each Defendant, including Mr. Silverii at ArvinMeritor, to coordinate this planned Filters price-increase.

**ANSWER:** ArvinMeritor and Purolator deny that Mr. Silverii was contacted by anyone to coordinate a Filters price increase. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 88, and on that basis, deny them.

89. Because of these illicit communications, and based on their conspiring, the Defendants agreed to jointly increase Filters prices.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 89 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 89.

90. In or around April 2004, each Defendant announced and successfully implemented their coordinated Filters price-increase.

**ANSWER:** ArvinMeritor and Purolator admit that Purolator sent a letter dated April 1, 2004 to its customers announcing a potential price increase on certain Filter products, and a letter dated April 15, 2004 to its customers announcing a price increase on certain Filter products to be effective on May 15, 2004. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 90 regarding price increases by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 90.

91. Champion, in September 2004, then led Defendants' effort to implement a second 2004 coordinated Filters price-increase, in furtherance of their conspiracy.

**ANSWER:** ArvinMeritor and Purolator deny that they participated in any coordinated effort to increase Filters prices. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 91, and on that basis, deny them.

92. This second time, Mr. Evans once again enlisted several senior Champion sales representatives to discuss the price-increase with Defendants and to garner their agreement to the amount of the increase.

**ANSWER:** ArvinMeritor and Purolator deny that they participated in any coordinated effort to increase Filters prices. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 92, and on that basis, deny them.

93. Some of the conversations took place at the Filters Manufacturers Council meeting in Nashville, Tennessee between September 26 and September 28, 2004.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 93 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 93.

94. At the Nashville meeting, Champion employees discussed with employees and agents of Purolator and Wix (among other Defendants) Champion's intention to raise Filters prices a second time in 2004.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 94 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 94.

95. In the words of one Champion employee, the "primary goal over the next day and a half [at the Convention] is to get everybody to get out there, and the message is gonna be that we're going up again, and when." This employee clarified: "That's basically our message to everybody."

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 95, and on that basis, deny them.

96. Champion's agenda was so crystal clear that a Champion sales representative joked that he and Mr. Evans "talked about going to [the] Filter Council cocktail party wearing T-shirts saying 'we went up first last time.'"

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 96, and on that basis, deny them.

97. By October 27, 2004, Champion had received confirmation from (Defendants) Honeywell, Cummins, Donaldson, and Purolator, that each Defendant would implement a Filters price-increase of at least 5%.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 97 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 97.

98. Honeywell, Donaldson, and Cummins were so brazen that they sent to Champion their draft price-increase letters *in advance* of publicly-announcing their price hikes.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 98, and on that basis, deny them.

99. Purolator confirmed to Champion that it had agreed with the other conspirators to also increase its Filters prices in this coordinated action.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in paragraph 99.

100. Subsequent to their unlawful coordination, in or around October or November 2004, the Defendants informed their respective customers of the previously agreed-upon Filters price-increase.

**ANSWER:** ArvinMeritor and Purolator deny that Purolator implemented a universal price increase on Filters in or about October or November 2004. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 100 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 100.

101. In an attempt to conceal their conspiracy and their collusively coordinated price-increase, the Defendants agreed to, and did, falsely blame the increase solely on rising steel costs.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 101 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 101.

102. At or around the same time, one of Champion's largest private-label customers questioned the need for another price-increase in 2004. This customer also questioned Champion's explanation that rising steel prices necessitated the price-increase. The customer requested that Champion provide it with an additional explanation justifying the price-increase.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 102, and on that basis, deny them.

103. This customer request for an explanation created a serious dilemma for Champion. A few months earlier, Champion had introduced a new oil filter called eCore, twelve models of which fit 75% of the cars on the road. The eCore filter was made partly out of fabric *instead of steel*. Thus, Champion's oil filter input costs had in fact decreased by approximately 20% because of its diminished need for raw steel in the manufacture of eCore oil filters.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 103, and on that basis, deny them.

104. Instead of providing its customer with its eCore input prices, Champion gave its customer a Purolator spreadsheet for *Purolator's outdated input costs*. Champions spreadsheet, falsely represented Purolator's costs as its own. The spreadsheet satisfied the complaining customer. But more importantly, the spreadsheet concealed the true reason for Champion's price increase – the Defendants' unlawful price-fixing agreement, and not increasing steel prices that Champion would have to pay.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 104, and on that basis, deny them.

105. By November or December 2004, each Defendant had successfully implemented the second 2004 coordinated Filters price-increase.

**ANSWER:** ArvinMeritor and Purolator deny that Purolator implemented a universal price increase on Filters in or around November or December 2004. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 105 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 105.

106. In subsequent years, Defendants continued to adhere to their unlawful agreement and conspiracy as they continued to conspire to and increase Filters prices periodically.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 106 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 106.

107. In addition to price-fixing, Defendants engaged in bid-rigging.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 107 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 107.

108. In or about June of 2003, Shell asked Defendant Champion and other Defendants to bid for its business. (As noted within this complaint, Defendant Filter manufacturers made Filters for other brand-names besides their own.)

**ANSWER:** ArvinMeritor and Purolator admit that Purolator participated in a bid for Shell's business in the summer of 2003. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 108, and on that basis, deny them.

109. At the time, Honeywell and Purolator shared Shell's Light Vehicle Aftermarket Filter business. Plaintiff/Relator Burch and Mark McDaniel, Burch's supervisor, told Shell that Champion would bid for the business. In truth, Champion had already secretly agreed with Purolator and Honeywell to bid high so that they could keep the business at an inflated price.

**ANSWER:** ArvinMeritor and Purolator admit that Purolator sold Filters to Shell in or around June 2003. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 109 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 109.

110. Mr. McDaniel had instructed Burch to contact his counterpart at Purolator, Jim Burnham, to discuss the bidding for Shell's business and to tell Burnham that Champion would bid high - but Burch refused.

**ANSWER:** ArvinMeritor and Purolator admit that Jim Burnham was an employee of Purolator in 2003. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 110, and on that basis, deny them.

111. Mr. McDaniel then told Burch that he would handle it since Burch was not being cooperative.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 111, and on that basis, deny them.

112. Mr. McDaniel also complained in an email and verbally, telling Burch that he was going to write him up for mishandling the bid. Burch responded in a formal letter and noted that he was not comfortable with McDaniel's request to rig the bid.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 112, and on that basis, deny them.

113. During the Time Period, pursuant to, and in furtherance of, their unlawful agreement, Defendants fixed, raised, maintained and/or stabilized prices and allocated customers for Filters in the United States. In so doing, Defendants acted unlawfully to foreclose price competition and to maintain artificially high prices for the Filters they sold in the United States.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 113 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 113.

114. Similarly, Defendants' unlawful conduct during the Time Period in allocating customers amongst themselves was for the sole purpose of foreclosing price competition to maintain artificially high prices for the Filters they sold in the United States.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 114 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 114.

115. As a result of Defendants' unlawful conspiracy, the United States and the States have been forced to pay super competitive and artificially inflated prices for Defendants' Filters.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 115 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 115.

116. Throughout the Time Period, Defendants affirmatively concealed the conspiracy from the United States and the States by, among other things, engaging in secret meetings and communications in furtherance of the conspiracy, and by falsely certifying to the United States and the States that they were not engaged in price-fixing activity.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 116 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 116.

117. Because of such fraudulent concealment and the inherently self-concealing nature of this conspiracy, the United States and the States could not have discovered, through reasonable due diligence, and did not discover, the existence of this conspiracy.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in paragraph 117.

118. As a result of the active-and-ongoing concealment of the conspiracy by Defendants and their co-conspirators, all applicable statutes of limitation are tolled.

**ANSWER:** The allegations in paragraph 118 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 118.

**Defendants' Conduct Violates the Sherman Act**

119. Defendants' conspiratorial conduct constitutes horizontal price-fixing that violates Section 1 of the Sherman Act, 15 U.S.C. § 1.

**ANSWER:** The allegations in paragraph 119 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 119.

120. This conspiracy is illegal *per se*, and consists of a continuing, unlawful understanding and concert of action among Defendants to coordinate their Filters prices. As a direct and proximate result, both direct and indirect purchasers of have been injured in their business and property, in an amount not presently known, in that they paid more for Filters than they otherwise would have paid in the absence of Defendants' unlawful conduct. (As discussed below, the United States and the States also have been injured by of the Defendants' illegal price-fixing conspiracy).

**ANSWER:** The allegations in the first sentence of paragraph 120 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in the first sentence of paragraph 120. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 120 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 120.

121. In addition to this action, several groups of purchasers have filed private actions, in the form of class actions, in which these classes seek to recover their damages resulting from Defendants' conduct. On November 26, 2008, for example, a group of direct purchasers filed their Consolidated Amended Complaint. Defendants moved to dismiss that complaint, and on November 5, 2009, the Court denied that motion.

**ANSWER:** ArvinMeritor and Purolator state that the docket in *In re: Aftermarket Filters Antitrust Litigation*, MDL No. 1957 is a public record and that the filings and decisions in this action speak for themselves. ArvinMeritor and Purolator deny any remaining allegations in paragraph 121.

## FALSE CLAIMS

122. During the Time Period, the United States spent many millions of dollars on Filters. According to the OMB Watch, a public watch dog organization that monitors the Office of Management and Budget ("OMB"), between 2000 and 2009, the United States spent more than $40 million dollars on engine, air, and oil filters and cleaners for non-aircraft vehicles. In 2004 alone, OMB Watch estimated that the United States spent almost $6 million on engine air and oil filters, strainers, and cleaners, for non-aircraft use.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 122, and on that basis, deny them.

123. Significant as they are, however, these numbers most likely underestimate – perhaps substantially – the amount the federal government paid for Filters. The reason for this is that the United States' contract coding system only captures the primary product sold as a result of the contract. Thus, there are likely to be many millions of dollars worth of additional Filters purchases that are not reflected in the foregoing numbers.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 123, and on that basis, deny them.

124. Defendants manufactured well over 90 percent of the Filters on the market. In addition to Filters sold under Defendants' own brand-names, Defendants also provided Filters to private brands such as Napa, CarQuest, and Firestone, among others.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 124, and on that basis, deny them.

125. Regardless of brand name (or distributor), the majority of the Filters the United States and the States purchased during the time Period were undoubtedly manufactured by Defendants.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 125, and on that basis, deny them.

126. Table 1 lists Filters by National Stock Number ("NSN") and Part Number. It represents a portion of the Filters manufactured by Defendants (the most popular models) and sold to the United States during the Time Period.

**ANSWER:** ArvinMeritor and Purolator deny that the NSNs identified as related to ArvinMeritor are light duty Filters. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 126, and on that basis, deny them.

127. Table 2 shows particular, representative claims the United States paid during the Time Period for the Filters listed in Table 1.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 127, and on that basis, deny them.

128. Attached as Exhibit A, are spreadsheets that show additional claims submitted to the United States by NSN and award date.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 128, and on that basis, deny them.

129. Neither Table 2 nor Exhibit A is anywhere close to a complete list, because the United States paid thousands of claims for Filters from the Defendants during the Time Period.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 129, and on that basis, deny them.

130. The United States and the States purchased Filters from Defendants both directly through contracts with individual Defendants, and through distributors.

**ANSWER:** ArvinMeritor and Purolator deny that the United States and the States purchased Filters directly from ArvinMeritor or Purolator. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 130, and on that basis, deny them.

131. With regard to the latter, in some instances, the United States or the States contracted with a Filters' distributor to purchase a large quantity of Filters. Those distributors would then purchase Filters from the Defendants and provide them to the United States or the States.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 131, and on that basis, deny them.

132. Whether the United States or the States purchased Filters via a direct contract with an individual Defendant or through a distributor, the result was the same: The United States and the States paid money to purchase Defendants' Filters at inflated prices, and would not have purchased the Filters at all, at any price, had the Defendants disclosed their price fixing.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 132 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 132.

133. Thus, during the Time Period, every time the United States or the States paid for Defendants' Filters, there was a false and fraudulent claim – sometimes for more than one reason. This was true whether the Defendants themselves submitted the contract or claim, or whether it was submitted by a distributor or subsidiary that merely supplied Defendants' Filters.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 133 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 133.

**Defendants Submitted False Claims and Caused Others to Submit False Claims**

134. Each time Defendants directly made a claim for payment under a contract for Filters, they submitted or caused to be submitted a false claim. Defendants conspired to fix and artificially inflate the prices of Filters during the Time Period.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 134 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 134.

135. When Defendants made a direct claim on the United States or the States for payment under a Filters contract, that claim was false. The United States and the States relied on the accuracy of Defendants' prices, and obviously price is always a material term of any contract. The prices that the United States and States paid for the Filters were inflated were artificially inflated [sic] as a result of the Defendants' price-fixing conspiracy.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 135 regarding actions by other Defendants and entities, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 135.

136. Moreover, if the United States and States had known the truth – that Defendants conspired to fix prices and bid – they never would have purchased the Filters.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 136 regarding actions by other Defendants and entities, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 136.

137. Similarly, when the United States or the State purchased Filters from a subsidiary or distributor for one of the Defendants, the Defendants themselves also submitted and/or caused false claims to be submitted.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 137 regarding actions by other Defendants and entities, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 137.

138. For example, during the Time Period, U.S. Motor Works contracted to provide the United States with spare vehicle parts that included, among other things, Filters. U.S. Motor Works distributed many brand name parts, including Wix and Cummins. Because Defendants controlled substantially more than 90 percent of the Filters market during the Time Period, in virtually all instances the Defendants actually manufactured and provided the requisite Filters, and they profited from the sale of the Filters at inflated prices regardless of whether the claim was submitted directly by the Defendant, or through an intermediary like a distributor (and caused to be distributed by or more or the Defendants).

**ANSWER:** ArvinMeritor and Purolator deny that they participated in or profited from any coordinated effort to increase Filters prices. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 138, and on that basis, deny them.

139. As another example, on or about September 28, 2007, the United States [sic] sold $359,681.38 worth of Filters to the United States pursuant to Contract No. SPM7MX-07-D9005) with Facet USA, Inc. ("Facet USA"), which allowed for the purchase of as much as $24 million worth of Filters over time.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 139, and on that basis, deny them.

140. Like other government contracts, this one identified the required part by NSN. The NSN identifies the part generically and does not refer to a particular brand. Thus, where multiple companies make the same part under different brand names, the United States might accept any number of the brand names as long as it is the correct part. Here, the contract identifies a number of Filters by NSN. Under each NSN, the contract provides an acceptable list of sources/manufacturers and identifies them by a Commercial and Governmental Entity Code ("Cage Code"), the code assigned to companies that register with United States to compete for government business.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 140, and on that basis, deny them.

141. The contract lists the following Defendants and their Cage Codes as acceptable sources for the Filters: Cummins, Wix, Baldwin, Luber-Finer (i.e., Champion), and ArvinMeritor. The contract also lists Quaker State Oil Refining Corp. as an acceptable source, and during the Time Period, Honeywell and ArvinMeritor manufactured and provided Filters to Quaker State. Thus, under the contract, Facet USA was allowed to, and did, provide the United States with Filters from each of these Defendants at various times. Because Filters are largely a fungible product, it matters little to the United States which Filters it receives so long as they come from one of the approved companies. And, that list of approved companies was comprised virtually exclusively of the Defendants and filter brands they manufactured.

**ANSWER:** ArvinMeritor and Purolator deny that Filters are largely a fungible product. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 141, and on that basis, deny them.

142. Each time Facet USA provided Filters to the United States under the contract it would have had to be providing the Defendants' products. Because the price of Defendants' Filters was inflated, any negotiations between Facet and the United States were predicated on an inflated market price. Thus, the Defendants ultimately caused Facet USA to submit inflated, false, and fraudulent claims to the United States. (Moreover, these Filters would not have been acceptable at all to the United States irrespective of the inflated price had the United States known of the price fixing conspiracy by the Defendants).

**ANSWER:** ArvinMeritor and Purolator deny that Purolator's prices on Filters were inflated. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 142, and on that basis, deny them.

**Defendants Made False Certifications and Representations in Support of Claims**

143. Defendants also submitted false certifications and representations in support of false and fraudulent claims. To compete for and receive contracts to supply the government with Filters, and to maintain and sustain those contracts after they were obtained, Defendants represented in contracts and certifications (as required by governmental regulations) that their prices were not the result of collusive activity, including any price-fixing conspiracy.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 143 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 143.

144. Contracts with the United States are governed by a comprehensive set of statutes and regulations. One of the primary goals of these laws is to ensure robust competition, which results in the United States (and all of its agencies or departments) receiving fair prices for goods. The United States Code mandates that agency heads "obtain full and open competition through the use of competitive procedures in accordance with the requirements of the . . . Federal Acquisition Regulation." *See* 10 U.S.C. § 2304; 41 U.S.C. § 253 (same); 48 C.F.R. § 6.101 (requiring government officials to use policies that "promote and provide for full and open competition . . .").

**ANSWER:** The allegations in paragraph 144 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 144.

145. The Federal Acquisition Regulations or "FAR" require all "prospective contractors" to complete a number of steps before they can be awarded a government contract or provide their products to the government.

**ANSWER:** The allegations in paragraph 145 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 145.

146. During the Time Period, all Defendants had registered through CCR and received a Cage Code. Defendants operated under a variety of Cage Codes during the Time Period. And, when a given Defendant's name or corporate affiliation changed, its Cage Code may have also changed. The following chart lists examples of Cage Codes for Defendants during the Time Period:

| Defendant | Current Cage Code |
|---|---|
| Champion | 50284 |
| Purolator | 57108 |
| ArvinMeritor | 3QYY9 |
| Honeywell | 73370 |
| Wix | 79396 |
| Affinia | 54M54 |
| Cummins | 4NUM0 |
| Baldwin | 12658 |
| Donaldson | 18265 |

**ANSWER:** ArvinMeritor and Purolator admit that ArvinMeritor and Purolator each registered through CCR and received a Cage Code. ArvinMeritor and Purolator admit that the codes listed in paragraph 146 are Cage Codes that were assigned for ArvinMeritor and Purolator but state that the Cage Code listed for Purolator is obsolete. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 146, and on that basis, deny them.

147. In addition, all prospective vendors must make certain representations and certifications when they contract with the government and periodically thereafter. For instance, the Code of Federal Regulations requires "prospective contractors to update their representations and certifications annually to ensure they are kept current, accurate and complete. *See* C.F.R. § 4.1201(b)(1) (At the beginning of the Time Period, vendors were required to submit these representations and certifications prior to receipt of any individual larger purchase contract award. Since about January 1, 2005, vendors have been allowed to complete their representations and certifications online using the Online Representations and Certifications Application ("ORCA")).

**ANSWER:** The allegations in paragraph 147 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 147.

148. The representations and certifications remain valid for a year, and any time during that year the relevant vendor may compete for government business. After implementation of ORCA, each time a vendor signs a solicitation it certifies that its representations and certifications are current, accurate, and complete.

**ANSWER:** The allegations in paragraph 148 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 148.

149. ORCA contains an explicit representation and certification of an "Independent Price Determination." The certification states, among other things, that:

- ♦ the prices contained in a bid or proposal "*have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to (i) those prices, (ii) the intention to submit an offer, or (iii) the methods or factors used to calculate the prices offered*"; and
- ♦ the vendors have not done anything to "*induce any other concern to submit or not submit and offer for the purpose of restricting competition.*"

**ANSWER:** The allegations in paragraph 149 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 149.

150. During the Time Period, each time a Defendant signed such certification it falsely certified that it was not price-fixing. Likewise, because the same certification language also is in all government solicitations, any time any Defendant applied for a contract and signed a solicitation or submitted a proposal in response to a solicitation it also falsely certified that it engaged in anti-competitive activities, including pricing-fixing.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 150 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 150.

151. Even those Defendants, who solely sold their Filters to the United States through a distributor or subsidiary, were required to be register through CCR and complete the ORCA certifications. There is a reason for this: If any Defendant did not register through CCR and complete the ORCA certifications, they could not sell their products to the United States, even through a distributor.

**ANSWER:** The allegations in paragraph 151 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 151.

152. Notably, solicitations all also contain an explicit warning that "[b]idders must provide full, accurate, and complete information as required by this solicitation . . ." and that there is a criminal penalty for making false statements in a bid. (The States have similar statutory provisions.)

**ANSWER:** The allegations in paragraph 152 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 152.

153. To the extent that Defendants did not explicitly make such certifications with regard to any given contract or claim, they were nonetheless implicitly certifying to both the United States and the States that they were not engaged in a price-fixing.

**ANSWER:** The allegations in paragraph 153 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 153.

154. Neither the United States nor the States would knowingly purchase products from Defendants at inflated prices resulting from violation of the federal and state antitrust laws.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 154, and on that basis, deny them.

155. Defendants were engaged in a conspiracy to fix the prices of Filters in violation of the federal antitrust laws. As a result, contrary to their ORCA certifications, their prices were not "independent," or the product of full and fair competition.

**ANSWER:** The allegations in paragraph 155 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 155 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 155.

156. Thus, each time any Defendant was awarded a contract to supply the United States or the States with Filters, that Defendant had misrepresented that its prices were the product of competition not collusion.

**ANSWER:** The allegations in paragraph 156 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 156 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 156.

157. Similarly, if Defendants products appeared as acceptable products under a government contract awarded to a distributor or subsidiary of the Defendants (e.g. Contract No. No. SPM7MX-07-D-9005, referenced herein), then that Defendant had made a false certification and representation that caused the United States to pay a false claim.

**ANSWER:** The allegations in paragraph 157 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 157 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 157.

158. Such terms were material terms of every contract between the United States and the States [sic], and the United States and the States would not have entered the contracts for Filters had they known of the Defendants [sic] antitrust conspiracy.

**ANSWER:** The allegations in paragraph 158 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 158 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 158.

159. Defendants' false certifications were false statements that caused the United States and the States to pay fraudulent claims.

**ANSWER:** The allegations in paragraph 159 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 159 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 159.

**Evidence of Defendants' False Claims**

160. A complete list of contracts between Defendants and the United States, and Defendants' claims for payment to the United States and the States, is uniquely within the possession of Defendants. Although Defendants manufactured more than 90 percent of the Filters during the Time Period, in many instances, the United States and the States purchased the Filters from a variety of distributors, and Defendants manufactured and distributed Filters under a variety of private brand names. The distribution chain is complex.

**ANSWER:** ArvinMeritor and Purolator deny that they are in possession of a complete list of contracts between Defendants and the United States. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 160, and on that basis, deny them.

161. The following non-exclusive list of contracts and claims provides strong evidence that all Defendants: (a) sold filters to the United States and the States; (b) made or caused others to make false claims to the United States and the States; and (c) made false representations or certifications in support of claims for payment to the United States and the States.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 161 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 161.

**Evidence of Defendant Donaldson's False Claims**

162. During the Time Period, Donaldson sold Filters to the United States and the States both directly and through subsidiaries and distributors. Donaldson's primary contact for government related business is Robyn Barlarge.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 162, and on that basis, deny them.

163. Donaldson was registered with the United States through the CCR systems during the Time Period, had a Cage Code, and regularly certified to the United States that its prices were independent.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 163, and on that basis, deny them.

164. Donaldson also regularly made similar certifications to the States, either explicitly or implicitly.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 164, and on that basis, deny them.

165. Donaldson made false claims for payment, caused others to make false claims for payment, and conspired to violate the FCA and parallel laws of the States. The States and the

United States paid for Donaldson Filters in reliance on Donaldson's false certifications and false claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 165, and on that basis, deny them.

166. The following is a non-exclusive list of examples of contracts the United States entered with Donaldson during the Time Period:

| Defendant/Company | Product | Total Value | Date | Agency |
|---|---|---|---|---|
| Western Filter Corporation, a division of Donaldson | Engine, air, and oil filters, non- aircraft | $66,060.00 | Aug. 19, 2010 | Defense Logistics Agency |
| Western Filter Corporation, a division of Donaldson | Engine, air, and oil filters, non- aircraft | $35,266.00 | June 12, 2010 | Defense Logistics Agency |
| Western Filter Corporation, a division of Donaldson | Engine, air, and oil filters, non- aircraft | $26,145.00 | May 26, 2010 | Defense Logistics Agency |
| Western Filter Corporation, a division of Donaldson | Engine, air, and oil filters, non- aircraft | $47,854.00 | May 10, 2010 | Defense Logistics Agency |
| Western Filter Corporation, a division of Donaldson | Engine, air, and oil filters, non- aircraft | $24,640.00 | Mar. 24, 2010 | Defense Logistics Agency |
| Western Filter Corporation, a division of Donaldson | Engine, air, and oil filters, non- aircraft | $31,524.00 | Mar. 12, 2010 | Defense Logistics Agency |
| Western Filter Corporation, a division of Donaldson | Engine, air, and oil filters, non- aircraft | $20,174.00 | Feb. 5, 2010 | Defense Logistics Agency |
| Donaldson | Engine, air, and oil filters, non- aircraft | $9,848.00 | Dec. 29, 2009 | Defense Logistics Agency |
| Western Filter Corporation, a division of Donaldson | Engine, air, and oil filters, non- aircraft | $28,968.00 | Nov. 30, 2009 | Defense Logistics Agency |
| Western Filter Corporation, a division of Donaldson | Engine, air, and oil filters, non- aircraft | $28,730.00 | Nov. 25, 2009 | Defense Logistics Agency |

| Defendant/Company | Product | Total Value | Date | Agency |
|---|---|---|---|---|
| Western Filter Corporation, a division of Donaldson | Engine, air, and oil filters, non- aircraft | $8,004.00 | Oct. 26, 2009 | Defense Logistics Agency |
| Donaldson | Engine, air, and oil filters, non- aircraft | $32,279.00 | Oct. 5, 2009 | Defense Logistics Agency |
| Western Filter Corporation, a division of Donaldson | Engine, air, and oil filters, non- aircraft | $34,506.00 | Sept. 11, 2009 | Defense Logistics Agency |
| Western Filter Corporation, a division of Donaldson | Engine, air, and oil filters, non- aircraft | $24,282.00 | June 19, 2009 | Defense Logistics Agency |
| Western Filter Corporation, a division of Donaldson | Engine, air, and oil filters, non- aircraft | $4,860.00 | Aug. 24, 2009 | Defense Logistics Agency |
| Western Filter Corporation, a division of Donaldson | Engine, air, and oil filters, non- aircraft | $8,280.00 | Mar. 26, 2009 | Defense Logistics Agency |
| Donaldson | Engine, air, and oil filters, non- aircraft | $8,352.00 | Feb. 26, 2009 | Dept. of the Army |
| Donaldson | Engine, air, and oil filters, non- aircraft | $7,344.00 | June 17, 2008 | Dept. of the Army |
| Donaldson | Engine, air, and oil filters, non- aircraft | $460,044.00 | Jan. 2, 2008 | Defense Logistics Agency |
| Donaldson | Engine, air, and oil filters, non- aircraft | $18,860.00 | Oct. 30, 2007 | Defense Logistics Agency |
| Donaldson | Engine, air, and oil filters, non- aircraft | $22,115.00 | Sept. 24, 2007 | Defense Logistics Agency |
| Donaldson | Engine, air, and oil filters, non- aircraft | $23,454.00 | Sept. 7, 2007 | Defense Logistics Agency |
| Donaldson | Engine, air, and oil filters, non- aircraft | $410,004.00 | July 10, 2007 | Dept. of the Army |
| Donaldson | Engine, air, and oil filters, non- aircraft | $3,626.00 | June 22, 2007 | Defense Logistics Agency |

| Defendant/Company | Product | Total Value | Date | Agency |
|---|---|---|---|---|
| Donaldson | Engine, air, and oil filters, non- aircraft | $71,598.00 | June 6, 2007 | Defense Logistics Agency |
| Donaldson | Engine, air, and oil filters, non- aircraft | $28,875.00 | May 21, 2007 | Defense Logistics Agency |
| Donaldson | Engine, air, and oil filters, non- aircraft | $83.00 | May 16, 2007 | Dept. of the Army |
| Donaldson | Engine, air, and oil filters, non- aircraft | $120,125.00 | Mar. 28, 2007 | Dept. of the Army |
| Donaldson | Engine, air, and oil filters, non- aircraft | $11,336.00 | Mar. 27, 2007 | Dept. of the Navy |
| Donaldson | Engine, air, and oil filters, non- aircraft | $3,136.00 | Mar. 23, 2007 | Dept. of the Army |
| Donaldson | Engine, air, and oil filters, non- aircraft | $71,598.00 | June 6, 2007 | Defense Logistics Agency |
| Western Filter Corporation, a division of Donaldson | Engine, air, and oil filters, non- aircraft | $56,160.00 | Nov. 18, 2005 | Defense Logistics Agency |

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 166, and on that basis, deny them.

167. Many of Donaldson's contracts were multi-year installment agreements under which the United States made continuous and periodic orders for Filters. For example, contract SP0740-03-D-7680 was a multi-year contract between the United States and Donaldson.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 167, and on that basis, deny them.

168. The United States made at least the following orders under contract SP0740-03-D-7680 and each time it made such an order Donaldson submitted a false and fraudulent claim for payment:

| Date | Order | Total Price Paid |
|---|---|---|
| June 25, 2007 | 291 Filters (x $8.01 per unit) | $2,330.91 |
| December 17, 2007 | 456 Filters (x $15.21 per unit) | $6,935.76 |
| May 12, 2008 | 500 Filters (x $8.36 per unit) | $4,180.00 |

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 168, and on that basis, deny them.

169. Each time the United States awarded Donaldson a contract, Donaldson delivered the Filters and received payment, i.e., made a claim to a governmental entity.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 169, and on that basis, deny them.

170. Donaldson made many claims for payment to the United States and the States in addition to those claims listed above, and Donaldson conspired with the other Defendants to violate the FCA.

**ANSWER:** ArvinMeritor and Purolator deny that they conspired with Donaldson or any other Defendant. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 170, and on that basis, deny them.

171. Each time Donaldson made a claim for payment under any Filters contract, it violated the FCA because: (a) it was engaged in a long-running price-fixing conspiracy, contrary to its representations and certifications, and (b) the prices of its Filters were falsely inflated. Similarly, each time a subsidiary of or a distributor for Donaldson submitted claims for payment to the United States or the States, Donaldson violated the FCA because: (a) it was engaged in a long-running price-fixing conspiracy, contrary to its representations and certifications, and (b) the prices of its Filters were falsely inflated.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 171, and on that basis, deny them.

172. If the United States or the States had been aware of this it would not have paid Donaldson's false claims or paid the claims of subsidiaries of and distributors for Donaldson.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 172, and on that basis, deny them.

**Evidence of Defendant Honeywell's False Claims**

173. During the Time Period, Honeywell sold Filters to the United States and the States both directly and through subsidiaries and distributors.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 173, and on that basis, deny them.

174. Honeywell's primary contact for government related business is Nancy Luna. Honeywell was registered with the United States through the CCR systems during the Time Period, had a Cage Code, and regularly certified to the United States that its prices were independent. Honeywell also regularly made similar certifications to the States, either explicitly or implicitly.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 174, and on that basis, deny them.

175. Honeywell made false claims for payment, caused others to make false claims for payment, and conspired to violate the FCA and parallel laws of the States. The States and the United States paid for Honeywell Filters in reliance on Honeywell's false certifications and false claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 175, and on that basis, deny them.

176. The following is an example of such claims: On or about March 19, 2004, Honeywell had a contract to supply the United States, through the Army & Air Force Exchange Services with FRAM Filters. (*See* Exhibit B.)

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 176, and on that basis, deny them.

177. At the time, Honeywell was renegotiating its prices with the United States. Honeywell represented to the United States that it needed to increase the price of its Filters because of a shortage of raw materials and an increase in the cost of steel. This representation was false. The United States implemented this price-increase at Honeywell's request.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 177, and on that basis, deny them.

178. As noted, in or about April 2004 and again in September 2004, Defendants, including Honeywell, Champion, Cummins, Donaldson, and Purolator all collusively decided to raise their prices and "blame" the price-increase on the rising cost of steel.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 178 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 178.

179. Prior to and after this negotiation, Honeywell continuously and repeatedly made claims on the United States for payment under this Filters contract. (*See* Exhibit B.) For example, Honeywell made the following claims for payment:

| Date | Quantity of Filters | Price Per Filter |
|---|---|---|
| April 15, 2002 | 24 | $5.04 |
| April 22, 2002 | 34 | $5.04 |
| July 26, 2006 | 11 | $5.45 |
| June 29, 2006 | 1750 | $4.54 |

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 179, and on that basis, deny them.

180. Additional Honeywell claims for payment under this contract are listed on Exhibit B.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 180, and on that basis, deny them.

181. Moreover, Tables 1 and 2 above, also show that the United States purchased Honeywell Filters during the Time Period.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 181, and on that basis, deny them.

182. Each time the United States awarded Honeywell a contract, Honeywell delivered the Filters and received payment, i.e., made a claim to a governmental entity. Honeywell made many claims for payment to the United States and the States in addition to those claims listed above, and Honeywell conspired with the other Defendants to violate the FCA.

**ANSWER:** ArvinMeritor and Purolator deny that they conspired with Honeywell or any other Defendant. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 182, and on that basis, deny them.

183. Each time Honeywell made a claim for payment under any Filters contract, it violated the FCA because: (a) it was engaged in a long-running price-fixing conspiracy, contrary to its representations and certifications, and (b) the prices of its Filters were falsely inflated.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 183, and on that basis, deny them.

184. Similarly, each time a subsidiary of or a distributor for Honeywell submitted claims for payment to the United States or the States, Honeywell violated the FCA because: (a) it was engaged in a long-running price-fixing conspiracy, contrary to its representations and certifications, and (b) the prices of its Filters were falsely inflated. If the United States or the States had been aware of this it would not have paid Honeywell's false claims or paid the claims of subsidiaries of and distributors for Honeywell.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 184, and on that basis, deny them.

185. In addition to the false claims submitted to the United States, Honeywell also submitted, and caused to be submitted, false claims to the States. For example, Honeywell sold more than $1 million in Fram filters to the State of Illinois between 2004 and 2010.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 185, and on that basis, deny them.

186. Attached as Exhibit C is a list of Fram filters that Illinois purchased for one six month time frame during this period. Illinois has provided Mr. Burch with eleven additional similar lists of Illinois purchases of Fram filters during this time frame. Each of these twelve lists consists of approximately $100,000 worth of Fram filter purchases over a six month period.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 186, and on that basis, deny them.

**Evidence of Defendant Champion's False Claims**

187. Champion has a sales department devoted solely to processing claims to the United States and the States. Sheryl McBride is the current Government Contract Specialist who handles Champion's Filter sales to the United States and the States. Ms. McBride has worked for Champion during most of the Time Period.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 187, and on that basis, deny them.

188. Champion was registered with the United States through the CCR systems during the Time Period, had a Cage Code, and regularly certified to the United States that its prices were independent. Champion also regularly made similar certifications to the States, either explicitly or implicitly.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 188, and on that basis, deny them.

189. During the Time Period, part of which time the Relator worked for Champion, Champion sold Filters to the United States and the States both directly and through subsidiaries and distributors. Champion made false claims for payment, caused others to make false claims for payment, and conspired to violate the FCA and parallel laws of the States. The States and the United States paid for Champion Filters in reliance on Champion's false certifications and false claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 189, and on that basis, deny them.

190. As noted under Contract No. SPM7MX-07-D-9005, Facet USA agreed to provide the United States with Filters. Most if not all of the Filters that Facet provided to the United States were manufactured by Defendants Cummins, Wix, Baldwin, Champion, and ArvinMeritor. Thus, United States purchased Champion Filters during the Time Period.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 190, and on that basis, deny them.

191. Moreover, Tables 1 and 2 above, also show that the United States purchased Champion Filters during the Time Period.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 191, and on that basis, deny them.

192. Each time the United States awarded Champion a contract, Champion delivered the Filters and received payment, i.e., made a claim to a governmental entity. Champion made many claims for payment to the United States and the States in addition to those claims listed above, and Champion conspired with the other Defendants to violate the FCA.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 192, and on that basis, deny them.

193. Each time Champion made a claim for payment under any Filters contract, it violated the FCA because: (a) it was engaged in a long-running price-fixing conspiracy, contrary to its representations and certifications, and (b) the prices of its Filters were falsely inflated.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 193, and on that basis, deny them.

194. Similarly, each time a subsidiary of or a distributor for Champion submitted claims for payment to the United States or the States, Champion violated the FCA because: (a) it was engaged in a long-running price-fixing conspiracy, contrary to its representations and certifications, and (b) the prices of its Filters were falsely inflated. If the United States or the States had been aware of this it would not have paid Champion's false claims or paid the claims of subsidiaries of and distributors for Champion.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 194, and on that basis, deny them.

**Evidence of Defendant Purolator's False Claims**

195. During the Time Period, Purolator sold Filters to the United States and the States both directly and through subsidiaries and distributors. Purolator was registered with the United States through the CCR systems during the Time Period, had a Cage Code, and regularly certified to the United States that its prices were independent. Purolator also regularly made similar certifications to the States, either explicitly or implicitly.

**ANSWER:** ArvinMeritor and Purolator admit that Purolator was registered with the United States through the CCR system and had Cage Codes. ArvinMeritor and Purolator deny the remaining allegations in paragraph 195.

196. Purolator made false claims for payment, caused others to make false claims for payment, and conspired to violate the FCA and parallel laws of the States. The States and the United States paid for Purolator Filters in reliance on Purolator's false certifications and false claims.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in paragraph 196.

197. For example, on January 8, 2003, Purolator contracted to provide non-air engine fuel system components to the United States (Defense Logistics Agency). The United States paid Purolator $90,520.00 in connection with this contract, and some if not all of the products supplied under this contract were Filters.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in paragraph 197.

198. Similarly on May 28, 2002, Purolator contracted to provide non-air engine fuel systems components to the United States (Defense Logistics Agency). The United States paid Purolator $100,394.00 in connection with this contract, and some if not all of the products supplied under this contract were Filters.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in paragraph 198.

199. Each time the United States awarded Purolator a contract, Purolator delivered the Filters and received payment, i.e., made a claim to a governmental entity. Purolator made many claims for payment to the United States and the States in addition to those claims listed above, and Purolator conspired with the other Defendants to violate the FCA.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in paragraph 199.

200. Each time Purolator made a claim for payment under any Filters contract, it violated the FCA because: (a) it was engaged in a long-running price-fixing conspiracy, contrary to its representations and certifications, and (b) the prices of its Filters were falsely inflated.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in paragraph 200.

201. Similarly, each time a subsidiary of or a distributor for Purolator submitted claims for payment to the United States or the States, Purolator violated the FCA because: (a) it was engaged in a long-running price-fixing conspiracy, contrary to its representations and certifications, and (b) the prices of its Filters were falsely inflated. If the United States or the States had been aware of this it would not have paid Purolator's false claims or paid the claims of subsidiaries of and distributors for Purolator.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in paragraph 201.

**Evidence of Defendant ArvinMeritor's False Claims**

202. During the Time Period, ArvinMeritor sold Filters to the United States and the States both directly and through subsidiaries and distributors.

**ANSWER:** ArvinMeritor and Purolator deny that ArvinMeritor or Purolator sold Filters directly to the United States or any of the states listed in the complaint during the time period alleged in plaintiff's complaint. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 202, and on that basis, deny them.

203. ArvinMeritor's primary contact for government related business is Timothy Burns. ArvinMeritor was registered with the United States through the CCR systems during the Time Period, had a Cage Code, and regularly certified to the United States that its prices were independent. ArvinMeritor also regularly made similar certifications to the States, either explicitly or implicitly.

**ANSWER:** ArvinMeritor and Purolator admit that Timothy Burns is Vice-President of Defense & Specialty Products at ArvinMeritor. ArvinMeritor and Purolator admit that ArvinMeritor was registered with the United States through the CCR system during the time period alleged in plaintiff's complaint and had a Cage Code. ArvinMeritor and Purolator deny the remaining allegations in paragraph 203.

204. ArvinMeritor made false claims for payment, caused others to make false claims for payment, and conspired to violate the FCA and parallel laws of the States. The States and the United States paid for ArvinMeritor Filters in reliance on ArvinMeritor's false certifications and false claims.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in paragraph 204.

205. As noted under Contract No. SPM7MX-07-D-9005, Facet agreed to provide the United States with Filters. Most if not all of the Filters that Facet provided to the United States were manufactured by Defendants Cummins, Wix, Baldwin, Champion, and ArvinMeritor. Thus, United States purchased ArvinMeritor Filters during the Time Period.

**ANSWER:** ArvinMeritor and Purolator deny that ArvinMeritor manufactures Filters. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 205, and on that basis, deny them.

206. Moreover, Tables 1 and 2 above, also show that the United States purchased ArvinMeritor Filters during the Time Period.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in paragraph 206.

207. Each time the United States awarded ArvinMeritor a contract, ArvinMeritor delivered the Filters and received payment, i.e., made a claim to a governmental entity.

ArvinMeritor made many claims for payment to the United States and the States in addition to those claims listed above, and ArvinMeritor conspired with the other Defendants to violate the FCA.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in paragraph 207.

208. Each time ArvinMeritor made a claim for payment under any Filters contract, it violated the FCA because: (a) it was engaged in a long-running price-fixing conspiracy, contrary to its representations and certifications, and (b) the prices of its Filters were falsely inflated.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in paragraph 208.

209. Similarly, each time a subsidiary of or a distributor for ArvinMeritor submitted claims for payment to the United States or the States, ArvinMeritor violated the FCA because: (a) it was engaged in a long-running price-fixing conspiracy, contrary to its representations and certifications, and (b) the prices of its Filters were falsely inflated. If the United States or the States had been aware of this it would not have paid ArvinMeritor's false claims or paid the claims of subsidiaries of and distributors for ArvinMeritor.

**ANSWER:** ArvinMeritor and Purolator deny the allegations in paragraph 209.

**Evidence of Defendant Affinia's False Claims**

210. During the Time Period, Affinia sold Filters to the United States and the States both directly and through subsidiaries and distributors.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 210, and on that basis, deny them.

211. Affinia's primary contact for government related business is Melissa Fletcher. Affinia was registered with the United States through the CCR systems during the Time Period, had a Cage Code, and regularly certified to the United States that its prices were independent. Affinia also regularly made similar certifications to the States, either explicitly or implicitly.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 211, and on that basis, deny them.

212. Affinia made false claims for payment, caused others to make false claims for payment, and conspired to violate the FCA and parallel laws of the States. The States and the United States paid for Affinia Filters in reliance on Affinia's false certifications and false claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 212, and on that basis, deny them.

213. Each time the United States awarded Affinia a contract, Affinia delivered the Filters and received payment, i.e., made a claim to a governmental entity. Affinia made many claims for payment to the United States and the States in addition to those claims listed above, and Affinia conspired with the other Defendants to violate the FCA.

**ANSWER:** ArvinMeritor and Purolator deny that they conspired with Affinia or any other Defendant. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 213, and on that basis, deny them.

214. Each time Affinia made a claim for payment under any Filters contract, it violated the FCA because: (a) it was engaged in a long-running price-fixing conspiracy, contrary to its representations and certifications, and (b) the prices of its Filters were falsely inflated.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 214, and on that basis, deny them.

215. Similarly, each time a subsidiary of or a distributor for Purolator [sic] submitted claims for payment to the United States or the States, Affinia violated the FCA because (a) it was engaged in a long-running price-fixing conspiracy, contrary to its representations and certifications, and (b) the prices of its Filters were falsely inflated. If the United States or the States had been aware of this it would not have paid Affinia's false claims or paid the claims of subsidiaries of and distributors for Affinia.

**ANSWER:** To the extent that paragraph 215 contains allegations related to Purolator, ArvinMeritor and Purolator deny those allegations. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 215, and on that basis, deny them.

**Evidence of Defendant Wix's False Claims**

216. During the Time Period, Wix, which is wholly-owned by Affinia Group's Affinia Global Filtration, sold Filters to the United States and the States both directly and through subsidiaries and distributors.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 216, and on that basis, deny them.

217. Wix was registered with the United States through the CCR systems during the Time Period, had a Cage Code, and regularly certified to the United States that its prices were independent. Wix also regularly made similar certifications to the States, either explicitly or implicitly.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 217, and on that basis, deny them.

218. Wix made false claims for payment, caused others to make false claims for payment, and conspired to violate the FCA and parallel laws of the States. The States and the United States paid for Wix Filters in reliance on Wix's false certifications and false claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 218, and on that basis, deny them.

219. As noted under Contract No. SPM7MX-07-D-9005, Facet USA agreed to provide the United States with Filters.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 219, and on that basis, deny them.

220. Most if not all of the Filters that Facet USA provided to the United States were manufactured by Defendants Cummins, Wix, Baldwin, Champion, and ArvinMeritor. Thus, United States purchased Wix Filters during the Time Period.

**ANSWER:** ArvinMeritor and Purolator deny that ArvinMeritor manufactures Filters. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 205, and on that basis, deny them.

221. The United States also entered contracts for Filters with Northeast Filter & Equipment Co. ("Northeast"). Northeast is a supplier and distributor of, among others, Wix brand Filters. During the Time Period, the United States entered the following contracts with Northeast.

| Defendant/ Company | Product | Total Value | Date | Contracting Agency/ Issuing Agency |
|---|---|---|---|---|
| Northeast | Engine, air, and oil filters, non- aircraft | $15,516.00 | Dec. 10, 2009 | Defense Logistics Agency |
| | Engine, air, and oil filters, non- aircraft | $8,195.00 | Aug. 23, 2009 | Defense Logistics Agency |
| Northeast | Engine, air, and oil filters, non- aircraft | $6,603.00 | Nov. 20, 2008 | Defense Logistics Agency |
| Northeast | Filters | Unknown | July 5, 2005 | Defense Supply Center Columbus |

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 221, and on that basis, deny them.

222. Under the foregoing contracts, Northeast supplied Wix filters to the United States. Moreover, Tables 1 and 2 above, also show that the United States purchased Wix Filters during the Time Period.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 222, and on that basis, deny them.

223. In addition to these claims, Wix, based on information and belief, sold its Flam filters to the United States through the General Services Administration. The General Services Administration (GSA) supplies products and communications for U.S. government offices. In its GSA catalogues distributed to governmental agencies to order supplies from that are paid for by the United States, Wix filters are specifically listed as product to be purchased for government vehicles.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 223, and on that basis, deny them.

224. Each time the United States awarded Wix a contract, Wix delivered the Filters and received payment, i.e., made a claim to a governmental entity. Wix made many claims for payment to the United States and the States in addition to those claims listed above, and Wix conspired with the other Defendants to violate the FCA.

**ANSWER:** ArvinMeritor and Purolator deny that they conspired with Wix or any other Defendant. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 224, and on that basis, deny them.

225. Each time Wix made a claim for payment under any Filters contract, it violated the FCA because: (a) it was engaged in a long-running price-fixing conspiracy, contrary to its representations and certifications, and (b) the prices of its Filters were falsely inflated.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 225, and on that basis, deny them.

226. Similarly, each time a subsidiary of or a distributor for Wix submitted claims for payment to the United States or the States, Wix violated the FCA because: (a) it was engaged in a long-running price-fixing conspiracy, contrary to its representations and certifications, and (b) the prices of its Filters were falsely inflated. If the United States or the States had been aware of this it would not have paid Wix's false claims or paid the claims of subsidiaries of and distributors for Wix.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 226, and on that basis, deny them.

**Evidence of Defendant Cummins's False Claims**

227. During the Time Period, Cummins sold Filters to the United States and the States both directly and through subsidiaries and distributors.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 227, and on that basis, deny them.

228. Cummins's primary contact for government related business is Russ Wong. Cummins was registered with the United States through the CCR systems during the Time Period, had a Cage Code, and regularly certified to the United States that its prices were independent. Cummins also regularly made similar certifications to the States, either explicitly or implicitly.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 228, and on that basis, deny them.

229. Cummins made false claims for payment, caused others to make false claims for payment, and conspired to violate the FCA and parallel laws of the States. The States and the United States paid for Cummins Filters in reliance on Cummins's false certifications and false claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 229, and on that basis, deny them.

230. As noted under Contract No. SPM7MX-07-D-9005, Facet USA agreed to provide the United States with Filters.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 230, and on that basis, deny them.

231. Most if not all of the Filters that Facet USA provided to the United States were manufactured by Defendants Cummins, Wix, Baldwin, Champion, and ArvinMeritor. Thus, United States purchased Cummins Filters during the Time Period.

**ANSWER:** ArvinMeritor and Purolator deny that ArvinMeritor manufactures Filters. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 205, and on that basis, deny them.

232. Moreover, the following is one example of a contract between Cummins and the United States during the Time Period:

| Defendant/Company | Product | Total Value | Date | Agency |
|---|---|---|---|---|
| Cummins NPower LLC, the exclusive distributor for Cummins | Engine, air, and oil filters, and cleaners, non-aircraft | $36,925.00 | Dec. 30, 2008 | Dept. of Defense |

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 232, and on that basis, deny them.

233. Under this and other contracts, the United States purchased Cummins Filters.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 233, and on that basis, deny them.

234. Each time the United States awarded Cummins a contract, Cummins delivered the Filters and received payment, i.e., made a claim to a governmental entity.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 234, and on that basis, deny them.

235. Cummins made many claims for payment to the United States and the States in addition to those claims listed above, and Cummins conspired with the other Defendants to violate the FCA. Each time Cummins made a claim for payment under any Filters contract, it violated the FCA because: (a) it was engaged in a long-running price-fixing conspiracy, contrary to its representations and certifications, and (b) the prices of its Filters were falsely inflated.

**ANSWER:** ArvinMeritor and Purolator deny that they conspired with Cummins or any other Defendant. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 235, and on that basis, deny them.

236. Similarly, each time a subsidiary of or a distributor for Cummins submitted claims for payment to the United States or the States, Cummins violated the FCA because: (a) it was engaged in a long-running price-fixing conspiracy, contrary to its representations and certifications, and (b) the prices of its Filters were falsely inflated. If the United States or the States had been aware of this it would not have paid Cummins's false claims or paid the claims of subsidiaries of and distributors for Cummins.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 236, and on that basis, deny them.

**Evidence of Defendant Baldwin's False Claims**

237. During the Time Period, Baldwin sold Filters to the United States and the States both directly and through subsidiaries and distributors.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 237, and on that basis, deny them.

238. Baldwin was registered with the United States through the CCR systems during the Time Period, had a Cage Code, and regularly certified to the United States that its prices were independent. Baldwin also regularly made similar certifications to the States, either explicitly or implicitly.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 238, and on that basis, deny them.

239. Baldwin made false claims for payment, caused others to make false claims for payment, and conspired to violate the FCA and parallel laws of the States. The States and the United States paid for Baldwin Filters in reliance on Baldwin's false certifications and false claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 239, and on that basis, deny them.

240. As noted under Contract No. SPM7MX-07-D-9005, Facet USA agreed to provide the United States with Filters. Most if not all of the Filters that Facet USA provided to the United States were manufactured by Defendants Cummins, Wix, Baldwin, Champion, and ArvinMeritor. Thus, United States purchased Baldwin Filters during the Time Period.

**ANSWER:** ArvinMeritor and Purolator deny that ArvinMeritor manufactures Filters. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 205, and on that basis, deny them.

241. Moreover, the following is one example of a contract the United States entered with Baldwin during the Time Period. On or about September 30, 2008, the United States entered a year-long contract with Jasmin Defense Depot ("Jasmin") to provide Filters.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 241, and on that basis, deny them.

242. The United States extend this contract through the year 2010. The United States specified that certain of its Filters requirements were only to be satisfied by Baldwin Filters. Thus, as part of the contract, the United States required Jasmin to provide proof that it was an authorized dealer for Filters manufactured by Baldwin and that it was providing Baldwin Filters to the United States.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 242, and on that basis, deny them.

243. To fulfill this requirement, Jasmin [sic] a fax from Diesel Equipment Inc., indicating that it was in fact an authorized Baldwin dealer, as well as a letter from Baldwin to Diesel evidencing a strategic sales relationship between the companies.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 243, and on that basis, deny them.

244. The United States accepted this chain of letters and entered the contract. Ultimately, Jasmin supplied Baldwin Filters to the United States as requested and made claims for payment to the United States.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 244, and on that basis, deny them.

245. These claims for payment were false as a result of Baldwin's participation in the antitrust conspiracy.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 245, and on that basis, deny them.

246. First, the United States chose Baldwin based on its knowledge that it was an approved manufacturer that had registered with the United States and signed the annual ORCA representations, i.e. represented that it was not colluding to fix prices. Had Baldwin not fulfilled its annual ORCA obligations, the United States would not have sought to purchase Baldwin Filters. Thus, Baldwin made a false certification in support of a claim for payment.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 246, and on that basis, deny them.

247. Second, the [sic] Baldwin's prices for Filters under the contract were inflated and false. Baldwin submitted its false and inflated prices to Diesel Equipment Inc. and then Jasmin, who in turn submitted the false prices to the United States for payment.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 247, and on that basis, deny them.

248. Each time the United States awarded Baldwin a contract, Baldwin delivered the Filters and received payment, i.e., made a claim to a governmental entity.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 248, and on that basis, deny them.

249. Baldwin made many claims for payment to the United States and the States in addition to those claims listed above, and Baldwin conspired with the other Defendants to violate the FCA.

**ANSWER:** ArvinMeritor and Purolator deny that they conspired with Baldwin or any other Defendant. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 249, and on that basis, deny them.

250. Each time Baldwin made a claim for payment under any Filters contract, it violated the FCA because: (a) it was engaged in a long-running price-fixing conspiracy, contrary to its representations and certifications, and (b) the prices of its Filters were falsely inflated.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 250, and on that basis, deny them.

251. Similarly, each time a subsidiary of or a distributor for Baldwin submitted claims for payment to the United States or the States, Baldwin violated the FCA because: (a) it was engaged in a long-running price-fixing conspiracy, contrary to its representations and certifications, and (b) the prices of its Filters were falsely inflated. If the United States or the States had been aware of this it would not have paid Baldwin's false claims or paid the claims of subsidiaries of and distributors for Baldwin.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 251, and on that basis, deny them.

**Additional False State Claims and Statements in Support of Claims**

252. Besides Illinois, which as alleged above, purchased Fram Filters manufactured by Honeywell during the Time Period, other states have also purchased Defendants' Filters during the Time Period.

The State of California entered a contract (contract number 1-04-29-02) with American Transit Supply ("ATS") to provide, among other things, Filters. The contract was effective between December 1, 2004 and November 30, 2009. (Prior to the entry of this contract, California entered similar contracts to purchase Defendants' Filters.) The terms of the California contract specified which brand of Filters the state would accept. The list included among others: Fram (manufactured by Honeywell); Luber-finer (manufactured by Champion); Baldwin (manufactured by Baldwin); Fleetguard (a Cummins product); Mighty and Purolator (manufactured by Purolator); and Wix, Carquest, Napa, and Big A (all manufactured by Wix). Under the foregoing contract, Defendants provided Filters to California through ATS. ATS submitted claims to California for payment, and California paid those claims. Each time this happened, Defendants had caused ATS to submit a false claim to California, because of the price-fixing conspiracy.

**ANSWER:** ArvinMeritor and Purolator deny that they have participated in any price-fixing conspiracy. ArvinMeritor and Purolator admit that Purolator manufactured Purolator and Mighty branded Filters. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 252, and on that basis, deny them.

253. The State of Florida has filed a complaint alleging that during the Time Period it purchased Filters from Defendants through various distributors.

**ANSWER:** ArvinMeritor and Purolator admit that on or about April 16, 2009, the State of Florida, Office of the Attorney General, Department of Legal Affairs filed a complaint and further state that it speaks for itself.

254. Suffolk County in New York State has filed a complaint with similar allegations. Suffolk County alleges that it purchased Filters indirectly from Wix, Donaldson, Honeywell, and Baldwin, apparently through distributors. From 2002 until the present, Suffolk County purchased 207 Wix Filters, 119 Donaldson Filters, and 15 Baldwin Filters. Suffolk County paid $9,025.21 for these Filters. Additionally, Suffolk County purchased approximately $63,000 of Fram filters (manufactured by Defendant Honeywell) during the Time Period.

**ANSWER:** ArvinMeritor and Purolator admit that on or about August 9, 2010, the County of Suffolk, New York filed a complaint and further state that it speaks for itself. ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the remaining allegations in paragraph 254, and on that basis, deny them.

255. The State of New Hampshire entered a contract with Wix for Filters (contract number 8000056). The contract became effective in July 2009 and lasts until 2014. Each time New Hampshire submits an order, Wix delivers the Filters and submits an invoice. As explained above, all of these invoices were false as a result of the price-fixing conspiracy.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 255, and on that basis, deny them.

**COUNT ONE**
**(False Claims Act 31 U.S.C. § 3729(a)(1))**
**(Against All Defendants)**

256. Plaintiff realleges and incorporates by reference all paragraphs set forth herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

257. As result of price-fixing conspiracy described herein, Defendants knowingly, or acting with deliberate ignorance or reckless disregard, presented or caused to be presented to the United States false of fraudulent claims for approval in violation of the FCA.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 257 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 257.

258. Because of these acts the United States has suffered damages.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 258 regarding actions

by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 258.

**COUNT TWO**
**(False Claims Act 31 U.S.C. § 3729(a)(2))**
**(Against All Defendants)**

259. Plaintiff realleges and incorporates by reference all paragraphs set forth herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

260. As a result of the price-fixing conspiracy described herein, Defendants knowingly, or acting with deliberate ignorance or reckless disregard, made, used, or caused to be made or used, a false record or false statement to get a false or fraudulent claim paid or approved by the United States in violation of the FCA.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 260 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 260.

261. Because of these acts, the United States has suffered damages.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 261 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 261.

**COUNT THREE**
**(False Claims Act 31 U.S.C. § 3729(a)(3))**
**(Against All Defendants)**

262. Plaintiff realleges and incorporates by reference all paragraphs set forth herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

263. As a result of the price-fixing conspiracy, Defendants conspired to defraud the United States by getting a false or fraudulent claim allowed or paid in violation of the FCA.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 263 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 263.

264. Because of these acts, the United States has suffered damages.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 264 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 264.

**COUNT FIVE [SIC]**
**(Common Law Fraud)**
**(Against All Defendants)**

265. Plaintiff realleges and incorporates by reference all paragraphs set forth herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

266. The false records or statements made by defendants, as described above, misrepresented and concealed material facts.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 266 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 266.

267. Defendants knowingly, and/or in reckless disregard of the truth, misrepresented and concealed material facts.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 267 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 267.

268. Defendants made these misrepresentations of material fact, or failed to disclose material facts, intending that the United States and the States would rely on their accuracy in purchasing Defendants Filters and approving and paying claims associated therewith.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 268 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 268.

269. The United States and the States justifiably relied on Defendants' false and misleading representations in evaluating claims associated with payment for Defendants' Filters.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 269 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 269.

270. Defendants defrauded the United States and the States.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 270 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 270.

271. Defendants have caused the United States and the States to suffer damages.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 271 regarding actions

by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 271.

**COUNT SIX**
**(Unjust Enrichment)**
**(Against All Defendants)**

272. Plaintiff realleges and incorporates by reference all paragraphs set forth herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

273. The United States and the States paid Defendants monies to which Defendants were not entitled.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 273 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 273.

274. By reason of these payments, Defendants have been unjustly enriched at the expense of the United States and the States.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 274 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 274.

275. The United States and the States are entitled to the amount of the Defendants' unjust enrichment as damages.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 275 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 275.

**COUNT SEVEN**
**Payment Under Mistake of Fact**
**(Against All Defendants)**

276. Plaintiff realleges and incorporates by reference all paragraphs set forth herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

277. The United States and the States paid or approved the claims submitted by Defendants under the erroneous belief that the statements Defendants made in their claims at issue were truthful.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 277 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 277.

278. The United States and the States erroneous beliefs were material to the amount of money the United State [sic] and the States paid for Defendants' claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 278 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 278.

279. Because of these mistakes of fact, Defendants received money to which they were not entitled.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 279 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 279.

280. By reason of the overpayment described above, the United States and the States are entitled to damages in the amount of overpayment.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 280 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 280.

**COUNT EIGHT**
**California False Claims Act**
**Cal. Gov. Code §12651(a)(1), (2) and (3)**

281. Plaintiff realleges and incorporates by reference all paragraphs set forth herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

282. This is a claim for treble damages and penalties under the California False Claims Act.

**ANSWER:** The allegations in paragraph 282 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 282.

283. By virtue of the acts described above, Defendants knowingly presented, or caused to be presented, false or fraudulent claims to the State of California for payment or approval.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 283 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 283.

284. By virtue of the acts described above, Defendants knowingly made, used, or caused to be made or used, false records and statements, and omitted material facts, to induce the State of California, the state government, and its agencies, to approve and pay such false and fraudulent claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 284 regarding actions

by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 284.

285. By virtue of the acts described above, Defendants knowingly conspired to violate the California False Claims Act.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 285 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 285.

286. The State of California, unaware of the falsity of the records, statements and claims made, used, presented or caused to be made, used or presented by Defendants, paid and continues to pay the claims that would not be paid but for Defendants' illegal price-fixing and false statements made in submitting Filter bids to the State.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 286 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 286.

287. By reason of the Defendants' acts, the State of California has been damaged, and continues to be damages [sic], in substantial amount to be determined at trial.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 287 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 287.

288. The State of California is entitled to the maximum penalty of $10,000 for each and every false or fraudulent claim, records or statement made, used, presented or caused to be made, used or presented by Defendants.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 288 regarding actions

by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 288.

**COUNT NINE**
**Delaware False Claims And Reporting Act**
**6 Del. Ann. tit. §1201(a)(1), (2) and (3)**

289. Plaintiff realleges and incorporates by reference all paragraphs set forth herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

290. This is a claim for treble damages and penalties under the Delaware False Claims and Reporting Act.

**ANSWER:** The allegations in paragraph 290 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 290.

291. By virtue of the acts described above, Defendants knowingly presented or caused to be presented, false or fraudulent claims to the Delaware State Government for payment or approval.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 291 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 291.

292. By virtue of the acts described above, Defendants knowingly made, used or caused to be made or used, false records and statements, and omitted material facts, to induce the Delaware State Government to approve and pay such false and fraudulent claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 292 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 292.

293. By virtue of the acts described above, Defendants knowingly conspired to violate the Delaware False Claims Act.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 293 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 293.

294. The Delaware State Government, unaware of the falsity of the records, statements and claims made, used, presented or caused to be made, used or presented by Defendants, paid and continues to pay the claims that would not be paid but for Defendants' illegal practices.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 294 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 294.

295. By reason of the Defendants' acts, the State of Delaware has been damaged, and continues to be damaged, in substantial amount to be determined at trial.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 295 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 295.

296. The State of Delaware is entitled to the maximum penalty of $11,000 for each and every false or fraudulent claim, record or statement made, used, presented or caused to be made, used or presented by Defendants.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 296 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 296.

## COUNT TEN
## District of Columbia
## District of Columbia False Claims Act
## D.C. Code §2-308.14(a)(1), (2), and (3)
## (formerly D.C. Code Ann. §1-1188.14(a))

297. Plaintiff realleges and incorporates by reference all paragraphs set forth herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

298. This is a claim for treble damages and penalties under the District of Columbia False Act.

**ANSWER:** The allegations in paragraph 298 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 298.

299. By virtue of the acts described above, Defendants knowingly presented or caused to be presented, false or fraudulent claims to the District of Columbia Government for payment or approval.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 299 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 299.

300. By virtue of the acts described above, Defendants knowingly made, used, or caused to be made or used, false records and statements, and omitted material facts, to induce the District of Columbia Government to approve and pay such false and fraudulent claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 300 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 300.

301. By virtue of the acts described above, Defendants knowingly conspired to violate the District of Columbia False Claims Act.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 301 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 301.

302. The District of Columbia Government, unaware of the falsity of the records, statement and claims made, used, presented or caused to be made, used or presented by Defendants, paid and continues to pay the claims that would not be paid but for Defendants' illegal practices.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 302 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 302.

303. By reason of defendants' acts, the District of Columbia has been damaged and continues to be damaged in substantial amount to be determined at trial.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 303 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 303.

304. The District of Columbia is entitled to the maximum penalty of $10,000 for each and every false or fraudulent claim, records or statement made, used, presented or caused to be made, used or presented by Defendants.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 304 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 304.

**COUNT ELEVEN**
**Florida False Claims Act**
**Fla. Stat. § 68.082(2)(a), (b), and (c)**

305. Plaintiff realleges and incorporates by reference all paragraphs set forth herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

306. This is a claim for treble damages and penalties under the Florida False Claims Act.

**ANSWER:** The allegations in paragraph 306 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 306.

307. By virtue of the acts described above, Defendants knowingly presented, or caused to be presented, false or fraudulent claims to the State of Florida for payment or approval.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 307 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 307.

308. By virtue of the acts described above, Defendants knowingly made, used or caused to be made or used, false records and statements, and omitted material facts, to induce the State of Florida, the state government and its agencies, to approve and pay such false and fraudulent claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 308 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 308.

309. By virtue of the acts described above, Defendants knowingly conspired to violate the Florida False Claims Act.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 309 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 309.

310. The State of Florida, unaware of the falsity of the records, statements and claims made, used, presented or caused to be made, used or presented by Defendants, paid and continues to pay the claims that would not be paid but for Defendants' illegal price-fixing, bid-rigging, and false statements made in submitting Filter bids to the State.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 310 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 310.

311. By reason of the Defendants' acts, the State of Florida has been damaged, and continues to be damages [sic], in substantial amount to be determined at trial.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 311 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 311.

312. The State of Florida is entitled to the maximum penalty of $10,000 for each and every false or fraudulent claim, records or statement made, used, presented or caused to be made, used or presented by Defendants.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 312 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 312.

**COUNT TWELVE**
**Hawaii False Claims Act**
**Haw. Rev. Stat. § 661-21(a)(1), (2), and (3)**

313. Plaintiff realleges and incorporates by reference all paragraphs set forth herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

314. This is a claim for treble damages and penalties under the Hawaii False Claims Act.

**ANSWER:** The allegations in paragraph 314 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 314.

315. By virtue of the acts described above, Defendants knowingly presented or caused to be presented, false or fraudulent claims to the Hawaii State Government for payment or approval.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 315 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 315.

316. By virtue of the acts described above, Defendants knowingly made, used, or cause to be made or used, false records and statements, and omitted material facts, to induce the Hawaii State Government to approve and pay such false and fraudulent claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 316 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 316.

317. By virtue of the acts described above, Defendants knowingly conspired to violate the Hawaii False Claims Act.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 317 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 317.

318. The Hawaii State Government, unaware of the falsity of the records, statements and claims made, used, presented or caused to be made, used or presented by Defendants, paid and continues to pay the claims that would not be paid but for defendants' illegal practices.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 318 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 318.

319. By reason of the Defendants' acts, the State of Hawaii has been damaged, and continues to be damaged, in substantial amount to be determined at trial.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 319 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 319.

320. The State of Hawaii is entitled to the maximum penalty of $11,000 for each and every false or fraudulent claim, records or statement made, used, presented or caused to be made, used or presented by Defendants.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 320 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 320.

**COUNT THIRTEEN**
**Illinois False Claims Act**
**740 Ill. Comp. Stat. §175/1(a)(1)(A), (B), and (C)**

321. Plaintiff realleges and incorporates by reference all paragraphs alleged herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

322. This is a claim for treble damages and penalties under the Illinois False Claims Act.

**ANSWER:** The allegations in paragraph 322 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 322.

323. By virtue of the acts described above, Defendants knowingly presented, or caused to be presented, false or fraudulent claims to the State of Illinois for payment or approval.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 323 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 323.

324. By virtue of the acts described above, Defendants knowingly made, used or caused to be made or used, false records and statements, and omitted material facts, to induce the State of Illinois, the state government and its agencies, to approve and pay such false and fraudulent claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 324 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 324.

325. By virtue of the acts described above, Defendants knowingly conspired to violate the Illinois False Claims Act.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 325 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 325.

326. The State of Illinois, unaware of the falsity of the records, statements and claims made, used, presented or caused to be made, used or presented by Defendants, paid and continues to pay the claims that would not be paid but for Defendants' illegal price-fixing and false statements made in submitting Filter bids to the State.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 326 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 326.

327. By reason of the Defendants' acts, the State of Illinois has been damaged, and continues to be damages [sic], in substantial amount to be determined at trial.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 327 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 327.

328. The State of Illinois is entitled to the maximum penalty of $10,000 for each and every false or fraudulent claim, records or statement made, used, presented or caused to be made, used or presented by Defendants.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 328 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 328.

**COUNT FOURTEEN**
**Indiana False Claims Act**
**Ind. Code § 5-11-5.5-2(b)(1), (2), and (7)**

329. Plaintiff realleges and incorporates by reference all paragraphs alleged herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

330. This is a claim for treble damages and penalties under the Indiana False Claims Act.

**ANSWER:** The allegations in paragraph 330 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 330.

331. By virtue of the acts described above, Defendants knowingly presented, or caused to be presented, false or fraudulent claims to the State of Indiana for payment or approval.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 331 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 331.

332. By virtue of the acts described above, Defendants knowingly made, used or caused to be made or used, false records and statements, and omitted material facts, to induce the State of Indiana, the state government and its agencies, to approve and pay such false and fraudulent claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 332 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 332.

333. By virtue of the acts described above, Defendants knowingly conspired to violate the Indiana False Claims Act.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 333 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 333.

334. The State of Indiana, unaware of the falsity of the records, statements and claims made, used, presented or caused to be made, used or presented by Defendants, paid and continues to pay the claims that would not be paid but for Defendants' illegal price-fixing and false statements made in submitting Filter bids to the State.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 334 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 334.

335. By reason of the Defendants' acts, the State of Indiana has been damaged, and continues to be damages [sic], in substantial amount to be determined at trial.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 335 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 335.

336. The State of Indiana is entitled to the maximum penalty of $10,000 for each and every false or fraudulent claim, records or statement made, used, presented or caused to be made, used or presented by Defendants.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 336 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 336.

**COUNT FIFTEEN**
**Massachusetts False Claims Law**
**Mass. Gen Laws ch. 12 § 5B(1), (2), and (3)**

337. Plaintiff realleges and incorporates by reference all paragraphs alleged herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

338. This is a claim for treble damages and penalties under the Massachusetts False Claims Law.

**ANSWER:** The allegations in paragraph 338 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 338.

339. By virtue of the acts described above, Defendants knowingly presented or caused to be presented, false or fraudulent claims to the Massachusetts State Government for payment or approval.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 339 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 339.

340. By virtue of the acts described above, Defendants knowingly made, used, or caused to be made or used, false records and statements, and omitted material facts, to induce the Massachusetts State Government to approve and pay such false and fraudulent claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 340 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 340.

341. By virtue of the acts described above, Defendants knowingly conspired to violate the Massachusetts False Claims Act.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 341 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 341.

342. The Massachusetts State Government, unaware of the falsity of the records, statement and claims made, used, presented or caused to be made, used or presented by Defendants, paid and continues to pay the claims that would not be paid but for Defendants' illegal practices.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 342 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 342.

343. By reason of defendants' acts, the State of Massachusetts has been damages [sic] and continues to be damaged in substantial amount to be determined at trial.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 343 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 343.

344. The State of Massachusetts is entitled to the maximum penalty of $10,000 for each and every false or fraudulent claim, records or statement made, used, presented or caused to be made, used or presented by Defendants.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 344 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 344.

**COUNT SIXTEEN**
**Minnesota False Claims Act**
**Minn. Stat. § 15C.02(a)(1), (2), and (3)**

345. Plaintiff realleges and incorporates by reference all paragraphs alleged herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

346. This is a claim for treble damages and penalties under the Minnesota False Claims Act.

**ANSWER:** The allegations in paragraph 346 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 346.

347. By virtue of the acts described above, Defendants knowingly presented or caused to be presented, false or fraudulent claims to the Minnesota State Government for payment or approval.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 347 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 347.

348. By virtue of the acts described above, Defendants knowingly made, used, or caused to be made or used, false records and statements, and omitted material facts, to induce the Minnesota State Government to approve and pay such false and fraudulent claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 348 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 348.

349. By virtue of the acts described above, Defendants knowingly conspired to violate the Minnesota False Claims Act.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 349 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 349.

350. The Minnesota State Government, unaware of the falsity of the records, statement and claims made, used, presented or caused to be made, used or presented by Defendants, paid and continues to pay the claims that would not be paid but for Defendants' illegal practices.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 350 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 350.

351. By reason of defendants' acts, the State of Minnesota has been damages [sic] and continues to be damaged in substantial amount to be determined at trial.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 351 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 351.

352. The State of Minnesota is entitled to the maximum penalty of $10,000 for each and every false or fraudulent claim, records or statement made, used, presented or caused to be made, used or presented by Defendants.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 352 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 352.

**COUNT SEVENTEEN**
**Montana False Claims Act**
**Mont. Code Ann. § 17-8-403(1)(a), (b), and (c)**

353. Plaintiff realleges and incorporates by reference all paragraphs alleged herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

354. This is a claim for treble damages and penalties under the Montana False Claims Act.

**ANSWER:** The allegations in paragraph 354 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 354.

355. By virtue of the acts described above, Defendants knowingly presented or caused to be presented, false or fraudulent claims to the Montana State Government for payment or approval.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 355 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 355.

356. By virtue of the acts described above, Defendants knowingly made, used, or caused to be made or used, false records and statements, and omitted material facts, to induce the Montana State Government to approve and pay such false and fraudulent claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 356 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 356.

357. By virtue of the acts described above, Defendants knowingly conspired to violate the Montana False Claims Act.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 357 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 357.

358. The Montana State Government, unaware of the falsity of the records, statement and claims made, used, presented or caused to be made, used or presented by Defendants, paid and continues to pay the claims that would not be paid but for Defendants' illegal practices.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 358 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 358.

359. By reason of defendants' acts, the State of Montana has been damages [sic] and continues to be damaged in substantial amount to be determined at trial.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 359 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 359.

360. The State of Montana is entitled to the maximum penalty of $10,000 for each and every false or fraudulent claim, records or statement made, used, presented or caused to be made, used or presented by Defendants.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 360 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 360.

**COUNT EIGHTEEN**
**Nevada False Claims Act**
**Nev. Rev. Stat. Ann. § 357.040(1) (a), (b), and (c)**

361. Plaintiff realleges and incorporates by reference the allegations all paragraphs contained herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

362. This is a claim for treble damages and penalties under the Nevada False Claims Law.

**ANSWER:** The allegations in paragraph 362 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 362.

363. By virtue of the acts described above, Defendants knowingly presented or caused to be presented, false or fraudulent claims to the Nevada State Government for payment or approval.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 363 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 363.

364. By virtue of the acts described above, Defendants knowingly made, used, or caused to be made or used, false records and statements, and omitted material facts, to induce the Nevada State Government to approve and pay such false and fraudulent claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 364 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 364.

365. By virtue of the acts described above, Defendants knowingly conspired to violate the Nevada False Claims Act.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 365 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 365.

366. The Nevada State Government, unaware of the falsity of the records, statement and claims made, used, presented or caused to be made, used or presented by Defendants, paid and continues to pay the claims that would not be paid but for Defendants' illegal practices.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 366 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 366.

367. By reason of defendants' acts, the State of Nevada has been damages [sic] and continues to be damaged in substantial amount to be determined at trial.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 367 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 367.

368. The State of Nevada is entitled to the maximum penalty of $10,000 for each and every false or fraudulent claim, records or statement made, used, presented or caused to be made, used or presented by Defendants.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 368 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 368.

**COUNT NINETEEN**
**New Hampshire False Claims Act**
**N.H. Rev. Stat. Ann. § 167:61-a, *et seq*.**

369. Plaintiff realleges and incorporates by reference the allegations all paragraphs contained herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

370. This is a claim for treble damages and penalties under the New Hampshire False Claims Law.

**ANSWER:** The allegations in paragraph 370 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 370.

371. By virtue of the acts described above, Defendants knowingly presented or caused to be presented, false or fraudulent claims to the New Hampshire State Government for payment or approval.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 371 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 371.

372. By virtue of the acts described above, Defendants knowingly made, used, or caused to be made or used, false records and statements, and omitted material facts, to induce the New Hampshire State Government to approve and pay such false and fraudulent claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 372 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 372.

373. By virtue of the acts described above, Defendants knowingly conspired to violate the New Hampshire False Claims Act.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 373 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 373.

374. The New Hampshire State Government, unaware of the falsity of the records, statement and claims made, used, presented or caused to be made, used or presented by Defendants, paid and continues to pay the claims that would not be paid but for Defendants' illegal practices.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 374 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 374.

375. By reason of defendants' acts, the State of New Hampshire has been damages [sic] and continues to be damaged in substantial amount to be determined at trial.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 375 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 375.

376. The State of New Hampshire is entitled to the maximum penalty of $10,000 for each and every false or fraudulent claim, records or statement made, used, presented or caused to be made, used or presented by Defendants.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 376 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 376.

**COUNT TWENTY**
**New Jersey False Claims Act**
**N.J. Stat. Ann. § 2A:32C-3(a), (b), and (c)**

377. Plaintiff realleges and incorporates by reference all paragraphs set forth herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

378. This is a claim for treble damages and penalties under the New Jersey False Claims Act.

**ANSWER:** The allegations in paragraph 378 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 378.

379. By virtue of the acts described above, Defendants knowingly presented, or caused to be presented, false or fraudulent claims to the State of New Jersey for payment or approval.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 379 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 379.

380. By virtue of the acts described above, Defendants knowingly made, used or caused to be made or used, false records and statements, and omitted material facts, to induce the State of New Jersey, the state government and its agencies, to approve and pay such false and fraudulent claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 380 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 380.

381. By virtue of the acts described above, Defendants knowingly conspired to violate the New Jersey False Claims Act.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 381 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 381.

382. The State of New Jersey unaware of the falsity of the records, statements and claims made, used, presented or caused to be made, used or presented by Defendants, paid and continues to pay the claims that would not be paid but for Defendants' illegal price-fixing, bid-rigging, and false statements made in submitting filter bids to the State.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 382 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 382.

383. By reason of the Defendants' acts, the State of New Jersey has been damaged, and continues to be damages [sic], in substantial amount to be determined at trial.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 383 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 383.

384. The State of New Jersey is entitled to the maximum penalty of $10,000 for each and every false or fraudulent claim, records or statement made, used, presented or caused to be made, used or presented by Defendants.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 384 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 384.

**COUNT TWENTY ONE**
**New Mexico Fraud Against Taxpayers Act**
**N.M. Stat. § 44-9-3(A)(1), (2), and (3)**

385. Plaintiff realleges and incorporates by reference all paragraphs set forth herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

386. This is a claim for treble damages and penalties under the New Mexico Fraud Against Taxpayer's Act.

**ANSWER:** The allegations in paragraph 386 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 386.

387. By virtue of the acts described above, Defendants knowingly presented, or caused to be presented, false or fraudulent claims to the State of New Mexico for payment or approval.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 387 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 387.

388. By virtue of the acts described above, Defendants knowingly made, used or caused to be made or used, false records and statements, and omitted material facts, to induce the State of New Mexico, the state government and its agencies, to approve and pay such false and fraudulent claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 388 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 388.

389. By virtue of the acts described above, Defendants knowingly conspired to violate the New Mexico Fraud Against Taxpayer's Act.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 389 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 389.

390. The State of New Mexico unaware of the falsity of the records, statements and claims made, used, presented or caused to be made, used or presented by Defendants, paid and continues to pay the claims that would not be paid but for Defendants' illegal price-fixing and false statements made in submitting filter bids to the State.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 390 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 390.

391. By reason of the Defendants' acts, the State of New Mexico has been damaged, and continues to be damages [sic], in substantial amount to be determined at trial. The State of New Mexico is entitled to the maximum penalty of $10,000 for each and every false or fraudulent claim, records or statement made, used, presented or caused to be made, used or presented by Defendants.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 391 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 391.

## COUNT TWENTY TWO
## New York False Claims Act
## N.Y. Finance Law § 189(1)(a), (b), and (c)

392. Plaintiff realleges and incorporates by reference all paragraphs set forth herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

393. This is a claim for treble damages and penalties under the New York False Claims Act and includes claims presented to officers, employees or agents of state and local

governments under § 188(1)(i), including but not limited to officers, employees or agents of Suffolk County and the City of New York.

**ANSWER:** The allegations in paragraph 393 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 393.

394. By virtue of the acts described above, Defendants knowingly presented, or caused to be presented, false or fraudulent claims to the State of New York for payment or approval.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 394 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 394.

395. By virtue of the acts described above, Defendants knowingly made, used or caused to be made or used false records and statements, and omitted material facts, to induce the State of New York, the state government and its agencies, to approve and pay such false and fraudulent claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 395 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 395.

396. By virtue of the acts described above, Defendants knowingly conspired to violate the New York False Claims Act.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 396 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 396.

397. The State of New York, unaware of the falsity of the records, statements and claims made, used, presented or caused to be made, used or presented by Defendants, paid and

continues to pay the claims that would not be paid but for Defendants' illegal price-fixing and false statements made in submitting Filter bids to the State.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 397 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 397.

398. By reason of the Defendants' acts, the State of New York has been damaged, and continues to be damages [sic], in substantial amount to be determined at trial.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 398 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 398.

399. The State of New York is entitled to the maximum penalty of $10,000 for each and every false or fraudulent claim, records or statement made, used, presented or caused to be made, used or presented by Defendants.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 399 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 399.

## COUNTY TWENTY THREE
## The North Carolina False Claims Act
## N.C. Gen. Stat. § 1-607(a)(1), (2), and (3)

400. Plaintiff realleges and incorporates by reference all paragraphs set forth herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

401. This is a claim for treble damages and penalties under the North Carolina False Claims Act.

**ANSWER:** The allegations in paragraph 401 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 401.

402. By virtue of the acts described above, Defendants knowingly presented, or caused to be presented, false or fraudulent claims to the State of North Carolina for payment or approval.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 402 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 402.

403. By virtue of the acts described above, Defendants knowingly made, used or caused to be made or used, false records and statements, and omitted material facts, to induce the State of North Carolina, the state government and its agencies, to approve and pay such false and fraudulent claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 403 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 403.

404. By virtue of the acts described above, Defendants knowingly conspired to violate the North Carolina False Claims Act.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 404 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 404.

405. The State of North Carolina, unaware of the falsity of the records, statements and claims made, used, presented or caused to be made, used or presented by Defendants, paid and continues to pay the claims that would not be paid but for Defendants' illegal price-fixing and false statements made in submitting filter bids to the State.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 405 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 405.

406. By reason of the Defendants' acts, the State of North Carolina has been damaged, and continues to be damages [sic], in substantial amount to be determined at trial.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 406 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 406.

407. The State of North Carolina is entitled to the maximum penalty of $10,000 for each and every false or fraudulent claim, records or statement made, used, presented or caused to be made, used or presented by Defendants.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 407 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 407.

## COUNT TWENTY FOUR
## the Oklahoma False Claims Act
## Okla. Stat. tit. 63 § 505.1 B., 1, 2, and 3

408. Plaintiff realleges and incorporates by reference all paragraphs set forth herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

409. This is a claim for treble damages and penalties under the Oklahoma False Claims Act.

**ANSWER:** The allegations in paragraph 409 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 409.

410. By virtue of the acts described above, Defendants knowingly presented, or caused to be presented, false or fraudulent claims to the State of Oklahoma for payment or approval.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 410 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 410.

411. By virtue of the acts described above, Defendants knowingly made, used or caused to be made or used, false records and statements, and omitted material facts, to induce the State of Oklahoma, the state government and its agencies, to approve and pay such false and fraudulent claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 411 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 411.

412. By virtue of the acts described above, Defendants knowingly conspired to violate the Oklahoma False Claims Act.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 412 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 412.

413. The State of Oklahoma, unaware of the falsity of the records, statements and claims made, used, presented or caused to be made, used or presented by Defendants, paid and continues to pay the claims that would not be paid but for Defendants' illegal price-fixing and false statements made in submitting filter bids to the State.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 413 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 413.

414. By reason of the Defendants' acts, the State of Oklahoma has been damaged, and continues to be damages [sic], in substantial amount to be determined at trial.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 414 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 414.

415. The State of Oklahoma is entitled to the maximum penalty of $10,000 for each and every false or fraudulent claim, records or statement made, used, presented or caused to be made, used or presented by Defendants.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 415 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 415.

## COUNT TWENTY FIVE
## the Rhode Island False Claims Act
## R.I. Gen. Laws § 9-1.1-3(a)(1), (2), and (3)

416. Plaintiff realleges and incorporates by reference all paragraphs set forth herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

417. This is a claim for treble damages and penalties under the Rhode Island False Claims Act.

**ANSWER:** The allegations in paragraph 417 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 417.

418. By virtue of the acts described above, Defendants knowingly presented, or caused to be presented, false or fraudulent claims to the State of Rhode Island for payment or approval.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 418 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 418.

419. By virtue of the acts described above, Defendants knowingly made, used or caused to be made or used, false records and statements, and omitted material facts, to induce the State of Rhode Island, the state government and its agencies, to approve and pay such false and fraudulent claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 419 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 419.

420. By virtue of the acts described above, Defendants knowingly conspired to violate the Rhode Island False Claims Act.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 420 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 420.

421. The State of Rhode Island, unaware of the falsity of the records, statements and claims made, used, presented or caused to be made, used or presented by Defendants, paid and continues to pay the claims that would not be paid but for Defendants' illegal price-fixing and false statements made in submitting filter bids to the State.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 421 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 421.

422. By reason of the Defendants' acts, the State of Rhode Island has been damaged, and continues to be damages [sic], in substantial amount to be determined at trial.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 422 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 422.

423. The State of Rhode Island is entitled to the maximum penalty of $10,000 for each and every false or fraudulent claim, records or statement made, used, presented or caused to be made, used or presented by Defendants.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 423 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 423.

**COUNT TWENTY SIX**
**the Tennessee False Claims Act**
**Tenn. Code Ann. § 4-18-103(a)(1), (2), and (3)**

424. Plaintiff realleges and incorporates by reference all paragraphs set forth herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

425. This is a claim for treble damages and penalties under the Tennessee False Claims Act.

**ANSWER:** The allegations in paragraph 425 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 425.

426. By virtue of the acts described above, Defendants knowingly presented, or caused to be presented, false or fraudulent claims to the State of Tennessee for payment or approval.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 426 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 426.

427. By virtue of the acts described above, Defendants knowingly made, used or caused to be made or used, false records and statements, and omitted material facts, to induce the State of Tennessee, the state government and its agencies, to approve and pay such false and fraudulent claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 427 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 427.

428. By virtue of the acts described above, Defendants knowingly conspired to violate the Tennessee False Claims Act.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 428 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 428.

429. The State of Tennessee, unaware of the falsity of the records, statements and claims made, used, presented or caused to be made, used or presented by Defendants, paid and continues to pay the claims that would not be paid but for Defendants' illegal price-fixing and false statements made in submitting Filter bids to the State.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 429 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 429.

430. By reason of the Defendants' acts, the State of Tennessee has been damaged, and continues to be damages [sic], in substantial amount to be determined at trial.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 430 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 430.

431. The State of Tennessee is entitled to the maximum penalty of $10,000 for each and every false or fraudulent claim, records or statement made, used, presented or caused to be made, used or presented by Defendants.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 431 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 431.

## COUNT TWENTY SEVEN
## Virginia Fraud Against Taxpayers Act
## Va. Code Ann. §8.01-216.3(a)(1), (2), and (3)

432. Plaintiff realleges and incorporates by reference all paragraphs alleged herein.

**ANSWER:** ArvinMeritor and Purolator incorporate by reference their answers to each and every allegation in the Complaint as if fully set forth herein.

433. This is a claim for treble damages and penalties under the Virginia Fraud Against Taxpayers Act.

**ANSWER:** The allegations in paragraph 433 are legal conclusions to which no response is necessary. To the extent that a response is required, ArvinMeritor and Purolator deny the allegations in paragraph 433.

434. By virtue of the acts described above, Defendants knowingly presented or caused to be presented, false or fraudulent claims to the Virginia State Government for payment or approval.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 434 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 434.

435. By virtue of the acts described above, Defendants knowingly made, used, or caused to be made or used, false records and statements, and omitted material facts, to induce the Virginia State Government to approve and pay such false and fraudulent claims.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 435 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 435.

436. By virtue of the acts described above, Defendants knowingly conspired to violate the Virginia False Claims Act.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 436 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 436.

437. The Virginia State Government, unaware of the falsity of the records, statement and claims made, used, presented or caused to be made, used or presented by Defendants, paid and continues to pay the claims that would not be paid but for Defendants' illegal practices.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 437 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 437.

438. By reason of defendants' acts, the State of Virginia has been damages [sic] and continues to be damaged in substantial amount to be determined at trial.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 438 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 438.

439. The State of Virginia is entitled to the maximum penalty of $10,000 for each and every false or fraudulent claim, records or statement made, used, presented or caused to be made, used or presented by Defendants.

**ANSWER:** ArvinMeritor and Purolator lack sufficient knowledge and information to form a belief as to the truth of the allegations in paragraph 439 regarding actions by other Defendants, and on that basis, deny them. ArvinMeritor and Purolator deny the remaining allegations in paragraph 439.

## PRAYER FOR RELIEF

ArvinMeritor and Purolator deny that Plaintiff is entitled to any relief.

## AFFIRMATIVE AND OTHER DEFENSES

ArvinMeritor and Purolator reserve the right to assert other defenses as discovery proceeds. ArvinMeritor and Purolator assert the following defenses without assuming the burden of proof as to any fact, issue, or element of a cause of action where such burden properly rests upon Plaintiff:

**First Defense**

Plaintiff lacks standing to assert the alleged claims and/or to seek some or all of the requested relief as he and those he purports to represent did not purchase Filters from ArvinMeritor or Purolator.

**Second Defense**

Plaintiff's claims are barred to the extent that any federal, state, or other procedural or statutory requirements for their filing or maintenance have not been satisfied.

**Third Defense**

Plaintiff's claims are barred to the extent that this Court lacks jurisdiction over some or all of the claims because, among other reasons, the claims are based upon information which had been publicly disclosed.

**Fourth Defense**

Plaintiff's claims are barred, in whole or in part, by the applicable statutes of limitations because he knew or should have known of any alleged injury more than the statutorily-permissible number of years before filing the Complaint. Plaintiff knew or should have known of public statements concerning price increases and the state of the market. Plaintiff and/or those he purports to represent were aware of the price increase announcements and other public statements and, therefore, were on notice as to the alleged claims and failed to exercise reasonable diligence.

**Fifth Defense**

Plaintiff's delay in asserting the alleged claims has, among other considerations, allowed alleged damages to accumulate and made it burdensome to gather relevant evidence necessary to rebut Plaintiff's claims. Plaintiff was aware of the price increases and the state of the market, and failed to exercise reasonable diligence. Plaintiff's claims are therefore barred, in whole or in part, by the doctrine of laches because he did not act with reasonable diligence in filing his claims.

**Sixth Defense**

Plaintiff's delay in asserting the alleged claims has, among other considerations, allowed alleged damages to accumulate, and made it burdensome to gather relevant evidence necessary to rebut Plaintiff's claims, thereby disadvantaging ArvinMeritor and Purolator. Plaintiff's claims are therefore barred, in whole or in part, by the doctrines of waiver and/or estoppel.

**Seventh Defense**

Plaintiff's claims are barred in whole or in part because Plaintiff's own acts bar him from recovering any damages as a relator in this action.

**Eighth Defense**

Plaintiff's claims are barred, in whole or in part, because Plaintiff and/or those he purports to represent have sustained no injury in fact or any damages proximately caused by any act or omission of ArvinMeritor or Purolator.

**Ninth Defense**

Plaintiff's claims are barred, in whole or in part, by his failure to mitigate damages, if any.

**Tenth Defense**

Plaintiff's claims are barred to the extent they would result in ArvinMeritor or Purolator paying damages to more than one claimant for the same alleged overcharge, because such multiple recoveries would violate rights guaranteed by the United States and various State Constitutions.

**Eleventh Defense**

Plaintiff's claims are barred to the extent that the claims are based on the laws of certain states where no events alleged took place or had an impact.

**Twelfth Defense**

Plaintiff's claims are barred to the extent that they impermissibly seek retroactive punishment for alleged conduct that occurred prior to the enactment of the applicable statutes.

**Thirteenth Defense**

Plaintiff's claims are barred to the extent that enforcing plaintiff's claims would have an ex post facto effect against Defendants.

**Fourteenth Defense**

Plaintiff's claims are barred to the extent that the allegations for one or more claims contained in plaintiffs' amended complaint fail to state a claim upon which relief can be granted.

**WHEREFORE**, Defendants ArvinMeritor and Purolator respectfully request that this Court:

1. Enter judgment against the Plaintiff and in favor of Defendants;
2. Dismiss the Complaint in its entirety, with prejudice;
3. Award ArvinMeritor and Purolator their costs, expenses, and reasonable attorneys' fees incurred in defending this action;
4. Award ArvinMeritor and Purolator prejudgment interest, as appropriate; and
5. Award such other and further relief as this Court may deem just and proper.

Dated: January 10, 2011

Respectfully submitted,

**DICKSTEIN SHAPIRO LLP**

By: /s/ Peter J. Kadzik

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*Attorneys for ArvinMeritor, Inc., Purolator Products NA, LLC, and Purolator Products Company, LLC*

**CERTIFICATE OF SERVICE**

I, Peter J. Kadzik, hereby certify that on January 10, 2011, I caused the foregoing Answer of ArvinMeritor, Inc., Purolator Products NA, LLC and Purolator Products Company, LLC to the First Amended Qui Tam Complaint by William G. Burch to be filed with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all parties indicated on the electronic filing receipt.

/s/ Peter J. Kadzik
Peter J. Kadzik